## Real estate investment advisers

| Firm | Tax-exempt assets ($ mils.) Equity total | Mortgage total | Real estate total | Total assets ($ mils.) Equity total | Mortgage total | Real estate total |
|---|---|---|---|---|---|---|
| 1. Equitable Real Estate | 4,007.0 | 37.2 | 4,044.2 | 10,522.3 | 11,020.1 | 21,542.4 |
| 2. Metropolitan Life | 368.0 | 60.9 | 428.9 | 4,936.0 | 12,960.0 | 17,896.0 |
| 3. Aetna Life & Casualty | 2,799.0 | 0.0 | 2,799.0 | 3,225.0 | 14,127.0 | 17,352.0 |
| 4. Travelers | 481.5 | 76.8 | 558.3 | 555.3 | 11,300.0 | 11,855.3 |
| 5. JMB Institutional Realty | 1,372.0 | 0.0 | 1,372.0 | 11,500.0 | 0.0 | 11,500.0 |
| 6. John Hancock Cos. | 673.1 | 0.0 | 673.1 | 2,600.0 | 7,500.0 | 10,100.0 |
| 7. CIGNA Asset Advisers | 777.1 | 0.0 | 777.1 | 1,600.0 | 7,100.0 | 8,700.0 |
| 8. New York Life | 33.0 | 0.0 | 33.0 | 566.0 | 6,100.0 | 6,666.0 |
| 9. Prudential Asset Mgt. | 6,410.0 | 0.0 | 6,410.1 | 6,410.1 | 0.0 | 6,410.1 |
| 10. Bankers Life | 33.5 | 0.0 | 33.5 | 87.2 | 5,687.0 | 5,774.2 |
| 11. Copley Real Estate | 1,390.0 | 0.0 | 1,390.0 | 4,500.0 | 0.0 | 4,500.0 |
| 12. Citicorp | 954.0 | 70.0 | 1,024.0 | 3,050.0 | 70.0 | 3,120.0 |
| 13. Boston Financial | 0.0 | 0.0 | 0.0 | 650.0 | 2,450.0 | 3,100.0 |
| 14. Corporate Property Inv. | 2,385.0 | 0.0 | 2,385.0 | 3,100.0 | 0.0 | 3,100.0 |
| 15. Massachusetts Mutual Life | 48.0 | 0.0 | 48.0 | 285.9 | 2,692.3 | 2,978.2 |
| 16. MONY Financial Services | 69.4 | 0.0 | 69.4 | 705.7 | 2,231.1 | 2,936.8 |
| 17. New England Mutual Life | 0.0 | 8.0 | 8.0 | 0.0 | 2,900.0 | 2,900.0 |
| 18. RREEF Funds | 2,742.0 | 0.0 | 2,742.0 | 2,742.0 | 0.0 | 2,742.0 |
| 19. LaSalle Advisors Inc. | 1,548.5 | 0.0 | 1,548.5 | 2,700.0 | 0.0 | 2,700.0 |
| 20. Heitman Advisory Corp. | 1,786.6 | 41.9 | 1,828.5 | 2,461.0 | 41.9 | 2,502.9 |
| 21. McNeil Corp., Robert | 276.0 | 0.0 | 276.0 | 2,500.0 | 0.0 | 2,500.0 |
| 22. Grubb & Ellis Co. | 202.7 | 37.4 | 240.1 | 1,375.0 | 37.0 | 2,412.0 |
| 23. Wells Fargo Realty | 374.0 | 271.0 | 645.0 | 418.0 | 1,700.0 | 2,118.0 |
| 24. F.I.A. Associates | 1,427.1 | 0.0 | 1,427.1 | 1,427.1 | 0.0 | 1,742.1 |
| 25. Aldrich, Eastman & Waltch | 1,490.0 | 190.0 | 1,680.0 | 1,490.0 | 190.0 | 1,680.0 |
| 26. Melody & Co., L.J. | 516.6 | 0.0 | 516.6 | 735.4 | 932.8 | 1,668.2 |
| 27. Ellis Inc., Richard | 150.0 | 0.0 | 150.0 | 1,424.0 | 0.0 | 1,424.0 |
| 28. Eastdil Realty Inc. | 1,202.7 | 69.9 | 1,272.6 | 1,282.6 | 139.9 | 1,422.5 |
| 29. Lehndorff & Babson | 391.0 | 0.0 | 391.0 | 1,416.0 | 0.0 | 1,416.0 |
| 30. Phoenix Mutual Life | 97.2 | 0.0 | 97.2 | 350.0 | 958.0 | 1,308.0 |
| 31. Equitec Institutional Realty | 57.0 | 0.0 | 57.0 | 1,300.0 | 0.0 | 1,300.0 |
| 32. Palmieri Co. | 250.0 | 100.0 | 350.0 | 800.0 | 500.0 | 1,300.0 |
| 33. Morgan Investment, J.P. | 742.0 | 0.0 | 742.0 | 1,245.0 | 0.0 | 1,245.0 |
| 34. Boston Co. Real Estate | 1,104.0 | 0.0 | 1,104.0 | 1,229.0 | 0.0 | 1,229.0 |
| 35. Jones Lang Wootton | 700.0 | 0.0 | 700.0 | 1,200.0 | 0.0 | 1,200.0 |
| 36. L&B Real Estate Advisors | 501.0 | 594.0 | 1,095.0 | 501.0 | 594.0 | 1,095.0 |
| 37. Brown Realty Advisors | 584.0 | 0.0 | 584.0 | 1,009.0 | 0.0 | 1,009.0 |
| 38. Security Capital Real Estate | 620.0 | 0.0 | 620.0 | 900.0 | 0.0 | 900.0 |
| 39. TCW Realty Advisors | 838.5 | 0.0 | 838.5 | 838.5 | 0.0 | 838.4 |
| 40. Landauer Advisors Inc. | 141.2 | 0.0 | 141.2 | 814.0 | 0.0 | 814.0 |
| 41. Angeles Institutional | 0.0 | 0.0 | 0.0 | 450.0 | 350.0 | 800.0 |
| 42. Coldwell Banker | 798.9 | 0.0 | 798.9 | 798.9 | 0.0 | 798.9 |
| 43. Karsten Institutional | 729.0 | 9.2 | 738.2 | 729.0 | 9.2 | 738.2 |
| 44. First Chicago | 699.0 | 34.0 | 733.0 | 699.0 | 34.0 | 733.0 |
| 45. Mellon Real Estate | 491.0 | 209.0 | 700.0 | 491.0 | 209.0 | 700.0 |
| 46. Manufacturers Hanover | 88.0 | 588.0 | 676.0 | 88.0 | 588.0 | 676.0 |
| 47. InterFirst Bank Dallas | 351.3 | 5.1 | 356.4 | 531.9 | 92.8 | 624.7 |
| 48. Kennedy Associates | 550.0 | 67.0 | 617.0 | 550.0 | 67.0 | 617.0 |
| 49. NCNB National Bank | 613.0 | 0.0 | 613.0 | 613.0 | 0.0 | 613.0 |
| 50. Wachovia Bank & Trust Co. | 579.0 | 0.0 | 579.0 | 602.0 | 0.0 | 602.0 |
| 51. Schroeder Real Estate | 0.0 | 0.0 | 0.0 | 572.0 | 0.0 | 572.0 |
| 52. Property Capital Advisors | 430.0 | 0.0 | 430.0 | 540.0 | 0.0 | 540.0 |
| 53. Lomas & Nettleton | 0.0 | 525.0 | 525.0 | 0.0 | 525.0 | 525.0 |
| 54. Scudder Realty | 62.0 | 450.0 | 512.0 | 62.0 | 450.0 | 512.0 |
| 55. Agrivest | 0.0 | 0.0 | 0.0 | 50.0 | 450.0 | 500.0 |
| 56. Landsing Corp. | 122.0 | 0.0 | 122.0 | 500.0 | 0.0 | 500.0 |
| 57. Am Cal Co. | 366.0 | 130.0 | 496.0 | 366.0 | 130.0 | 496.0 |
| 58. Loeb Partners Realty | 80.0 | 0.0 | 80.0 | 450.0 | 0.0 | 450.0 |
| 59. Bank of America | 145.3 | 0.0 | 145.3 | 441.9 | 0.0 | 441.9 |
| 60. McMahan Associates | 388.0 | 0.0 | 388.0 | 438.0 | 0.0 | 438.0 |
| 61. Goldman, Sachs & Co. | 335.0 | 0.0 | 335.0 | 410.0 | 0.0 | 410.0 |
| 62. Fiduciary Trust, NY | 375.0 | 0.0 | 375.0 | 400.0 | 0.0 | 400.0 |
| 63. Union Labor Life Insurance | 0.0 | 153.0 | 153.0 | 31.0 | 345.0 | 376.0 |
| 64. ACP Advisers Inc. | 0.0 | 0.0 | 0.0 | 350.0 | 0.0 | 350.0 |
| 65. PM Realty Advisors Inc. | 106.2 | 0.0 | 106.2 | 348.2 | 0.0 | 348.2 |
| 66. Debenham Tewson | 0.0 | 0.0 | 0.0 | 250.0 | 0.0 | 250.0 |
| 67. State Street Bank | 236.3 | 0.0 | 236.3 | 236.3 | 0.0 | 236.3 |
| 68. Crocker Real Estate | 181.7 | 0.0 | 181.7 | 198.3 | 0.0 | 198.3 |
| 69. Trident/Meyer Real Estate | 115.0 | 0.0 | 115.0 | 184.0 | 0.0 | 184.0 |
| 70. Chestertons USA | 0.0 | 0.0 | 0.0 | 142.0 | 0.0 | 142.0 |
| 71. United Trust Fund | 0.0 | 135.0 | 135.0 | 0.0 | 135.0 | 135.0 |
| 72. Lieberman Cos. | 0.0 | 110.0 | 110.0 | 0.0 | 110.0 | 110.0 |
| 73. Pacific Realty Advisors | 29.3 | 0.0 | 29.3 | 94.0 | 0.0 | 94.0 |
| 74. Third National Corp. | 22.2 | 0.0 | 22.2 | 87.7 | 0.0 | 87.7 |
| 75. Russell Trust Co., Frank | 78.0 | 0.0 | 78.0 | 78.0 | 0.0 | 78.0 |
| 76. ICC Realty Advisers Inc. | 6.0 | 70.0 | 76.0 | 6.0 | 70.0 | 76.0 |
| 77. Texas Amer. Bank/Ft. Worth | 60.0 | 7.0 | 67.0 | 60.0 | 7.0 | 67.0 |
| 78. D.A. Mgt. Consultants | 11.3 | 45.0 | 56.3 | 21.0 | 45.0 | 66.0 |
| 79. SUHRCO Real Estate | 50.0 | 0.0 | 50.0 | 65.0 | 0.0 | 65.0 |
| 80. Aminoff & Co. | 0.0 | 0.0 | 0.0 | 60.0 | 0.0 | 60.0 |
| 81. Sarofim Trust Co. | 0.0 | 57.2 | 57.2 | 0.0 | 57.2 | 57.2 |
| 82. McNee Realty Advisors | 8.0 | 49.0 | 57.0 | 8.0 | 49.0 | 57.0 |
| 83. Wagner Southern Forest | 0.0 | 0.0 | 0.0 | 50.0 | 0.0 | 50.0 |
| 84. Chemical Bank | 45.7 | 0.3 | 46.0 | 45.7 | 0.3 | 46.0 |
| 85. Acquest Capital Mgt. Inc. | 32.0 | 2.0 | 34.0 | 40.0 | 2.0 | 42.0 |
| 86. First Wisconsin Trust Co. | 6.1 | 0.0 | 6.1 | 20.8 | 18.0 | 38.8 |
| 87. RepublicBank Dallas | 37.8 | 0.0 | 37.8 | 37.8 | 0.0 | 37.8 |
| 88. AMB Investment Inc. | 0.0 | 0.0 | 0.0 | 30.0 | 0.0 | 30.0 |
| 89. FNB Atlanta | 27.2 | 0.0 | 27.2 | 27.2 | 0.0 | 27.2 |
| 90. United Virginia Bank | 23.8 | 0.0 | 23.8 | 23.8 | 0.0 | 23.8 |
| 91. Hayden Associates Inc. | 21 3 | 2.0 | 23.3 | 21.3 | 2.0 | 23.3 |
| 92. American Agricultural | 11.0 | 0.0 | 11.0 | 20.0 | 0.0 | 20.0 |
| 93. Stanfill Paulson & Co. | 0.0 | 0.0 | 0.0 | 15.0 | 0.0 | 15.0 |
| 94. Harris Trust & Savings | 14.0 | 0.0 | 14.0 | 14.0 | 0.0 | 14.0 |
| 95. Tamarack Investment | 12.0 | 0.0 | 12.0 | 12.0 | 0.0 | 12.0 |
| 96. HT Investors | 11.0 | 0.0 | 11.0 | 11.0 | 0.0 | 11.0 |
| 97. Continental Forest | 10.0 | 0.0 | 10.0 | 10.0 | 0.0 | 10.0 |
| 98. Richardson & Co., T.W. | 8.9 | 0.0 | 8.9 | 8.9 | 0.0 | 8.9 |
| 99. Cambridge Realty Capital | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 100. Public Storage Inc. | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

The Equity Group Trust is a $75 million closed-end fund.

An investment committee composed of five people is in charge of making property investments. Duncan Christie and Peter Tague, senior vice presidents, are the client contacts.

### Alex. Brown Realty Advisors Inc.

*225 E. Redwood St., Baltimore, Md. 21202; (301) 727-3884*

Total real estate assets managed ... $1,009 million
Equity* ... $1,009 million
Tax-exempt real estate assets ... $584 million
Equity* ... $584 million
Tax-exempt real estate clients ... 2
* Combines equity real estate and hybrid debt.

As of the year ended June 30, Alex. Brown received new business commitments of $151 million from two clients for equity real estate and hybrid debt investments.

Of the $584 million equity real estate under management for tax-exempt clients, $328 million was for contributions committed but not yet received. The firm's holdings had a book value of $256 million.

All of the holdings and commitments was for hybrid debt, and in direct, separate accounts.

Of the tax-exempt assets invested, 44% are in existing properties and 56% are in development properties.

The asset mix by type of property is: office, 56%; industrial, 7%; hotel, 36%; residential, 1%.

Christopher W. Kurz, vice president, is in charge of property investments and is the client contact.

### Cambridge Realty Capital Ltd.

*200 W. Superior St., Chicago, Ill. 60610; (312) 943-1911*

Total real estate assets managed ... $0

Cambridge Realty Capital Ltd. is a real estate investment banking and consulting firm primarily engaged in the private placement of equity and debt financings or property sales with institutional investors on behalf of its real estate developer/borrower clients. The firm is actively marketing itself as a real estate investment adviser to tax-exempt institutional clients.

For tax-exempt clients the firm plans on allocating its property holdings in office buildings, 60%; shopping centers, 15%; office/service/tech centers, 15%; and apartments, 10%.

Jeffrey A. Davis handles property investments and is the client contact.

### Chemical Bank

*277 Park Ave., New York, N.Y. 10172; (212) 310-5011*

Total real estate assets managed ... $46 million
Equity* ... $45.7 million
Mortgages ... $.3 million
Tax-exempt real estate assets ... $46 million
Equity* ... $45.7 million
Mortgages ... $.3 million
Tax-exempt real estate clients ... 8
Combines equity real estate and hybrid debt.

The bank's equity holdings had a market value of $45.7 million and a book value of $41.8 million. There was $5.8 million in debt connected with those properties.

All assets were in commingled or pooled equity funds.

All assets are invested in existing properties. The asset mix by type of property is: office, 45%; retail, 44%; industrial, 11%.

Clients include Chemical Bank Retirement Plan, Warner Lambert, American Hoechst, Shulton and Barnes Group.

Eric Jurist, vice president, is in charge of property investments and is the client contact.

### Chestertons USA

*630 Fifth Ave., Suite 3170, New York, N.Y. 10111; (212) 765-1540*

Total real estate assets managed ... $142 million
Equity ... $142 million
Tax-exempt real estate assets ... $0

Chestertons USA has no U.S. tax-exempt clients. All of its assets under management are for foreign clients. Of the $142 in million equity real estate under management, $35 million was cash committed but not yet received.

The portfolio had a book value of $102 million and a market value of $107 million. The firm offers direct, separate account management.

Of the total assets, 75% is invested in existing properties and 25% in development properties. Investment types are: office, R&D, regional malls, warehouses.

James J. Brinkerhoff, senior vice president, is in charge of property investments and client contact.

### CIGNA Asset Advisers Inc.

*Hartford, Conn. 06152; (203) 726-3153*

Total real estate assets managed ... $8,700 million
Equity ... $1,600 million
Mortgages ... $7,100 million
Tax-exempt real estate assets ... $777 million
Equity ... $777 million
Tax-exempt real estate clients ... 376

As of the year ended June 30, CIGNA Asset Advisers received new business commitments of $227.9 million from 36 clients for equity real estate investments.

Of the $777.1 million equity real estate under management for tax-exempt clients, $11 million was for contributions committed but not yet received; $159.8 million was in cash; and the firm's property holdings had a market value of $606.3 million.

Of the total, $656.8 million was in commingled or pooled equity funds, and $120.3 million was in direct, separate equity accounts.

The firm's property investments for tax-exempt clients are 73.2% in existing properties and 26.8% funded after construction.

The asset mix by type of property is: office, 39.5%; R&D, 29.8%; industrial, 2.4%; retail, 8.7%; apartments, 13.1%; hotels, 6.5%.

Properties can be existing or developmental. Its investment strategy is to acquire equity investments in office buildings, apartments, research and development, industrial buildings, and shopping centers in the peripheral areas of large metropolitan hubs and in smaller, growth-oriented cities. It will invest in pure equity, joint ventures and construction loans convertible to equity but is not allowed to use third-party leverage.

Some clients are: United Technologies, Alaska Permanent Fund and Warner-Lambert.

Joel Stoesser, vice president-CIGNA Capital Advisers, is in charge of property investments. Stephen Matheson, president-CIGNA Asset Advisers, is the client contact.

### Citicorp Investment Management Inc.

*One Citicorp Center, 153 E. 53rd St., 15th Floor, New York, N.Y. 10043; (212) 559-9332*

Total real estate assets managed ... $3,120 million
Equity* ... $3,050 million
Mortgages ... $70 million
Tax-exempt real estate assets ... $1,024 million
Equity* ... $954 million
Mortgages ... $70 million
Tax-exempt real estate clients ... 81
* Combines equity real estate and hybrid debt.

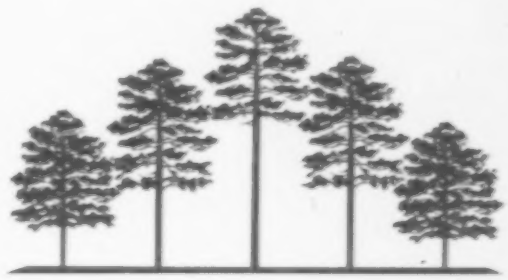
As of the year ending June 30, Citicorp Investment Management managed $1.02 billion in tax-exempt assets. Of that, $523 million was in commingled or pooled equity funds, and $501 million was in direct, separate equity accounts. In addition, the firm invested $200 million for foreign pension funds.

By investment vehicle, the market value of its 100% real estate equity holdings was $826 million, hybrid debt, $128 million, and mortgages, $70 million.

All of the tax-exempt assets are invested in existing properties.

The commingled funds are Citicorp Real Estate Equity Fund, Real Estate Income Funds I and II, and Participating Mortgage Fund I.

TIMBERLAND
The Growing Alternative



WAGNER SOUTHERN FOREST INVESTMENTS, INC.
*Registered Investment Advisers*
11 Piedmont Center, Suite 404
3495 Piedmont Road / Atlanta, Georgia 30305
Contact: David S. Graham (404) 239-0986


Clients include General Motors, Westinghouse Electric, Ford and AT&T.

Paul Chronis, vice president-acquisitions, is in charge of property investments. H. Piper Andrews Jr., vice president, is the client contact.

### Coldwell Banker Capital Management Services

*533 Fremont Ave., Los Angeles, Calif. 90071; (213) 613-3491*

| | |
|---|---|
| Total real estate assets managed | $799 million |
| Equity* | $799 million |
| Tax-exempt real estate assets | $799 million |
| Equity* | $799 million |
| Tax-exempt clients | 40 |

* Combines equity real estate and hybrid debt.

For the year ended June 30, Coldwell Banker received new business commitments of $189.1 million from nine clients for equity real estate and hybrid debt investments.

Of the $798.9 million in equity real estate under management for tax-exempt clients, $90.6 million was for contributions committed but not yet received; $98.5 million was in cash, and the firm's holdings had a market value of $609.8 million and a book value of $381.3 million. There was $75.1 million in debt connected with those properties.

Of the total under management, $613 million was in commingled or pooled equity funds, and $185.9 million was in direct, separate equity accounts.

By investment vehicle, the firm placed $725.1 million real estate equity and $73.8 million in hybrid debt.

The tax-exempt assets are invested 90% in existing properties and 10% in development properties.

The asset mix by property is: office, 50%; industrial, 30%; retail, 20%.

Some of the tax-exempt clients are: AT&T, ITT, Burroughs, McKnight Foundation and TWA.

Scott Calder, first vice president, is in charge of property investments. James G. Nugent, senior vice president, is the client contact.

### Continental Forest Investments Inc.

*33 Bull St., Box 8969, Savannah, Ga. 31412; (912) 236-7137*

| | |
|---|---|
| Total real estate assets managed | $10 million |
| Equity | $10 million |
| Tax-exempt real estate assets | $10 million |
| Equity | $10 million |
| Tax-exempt real estate clients | 1 |

Continental Forest Investments' holdings, which are entirely timberlands, had a market value of $10 million.

W.W. Herbst, vice president, is in charge of property investments. C.E. Bush, manager-operations, is the client contact.

### Copley Real Estate Advisors

*535 Boylston St., Boston, Mass. 02116; (617) 578-4900*

| | |
|---|---|
| Total real estate assets managed | $4,500 million |
| Equity | $4,500 million |
| Tax-exempt real estate assets | $1,390 million |
| Equity | $1,390 million |
| Tax-exempt clients | 90 |

As of the year ended June 30, Copley Real Estate Advisors received new business commitments of $328 million from 61 clients for equity real estate investments.

Of the $1.39 billion real estate equity under management for tax-exempt clients, $278 million was contributions received, not invested. The firm's holdings had a market value of $1.1 billion. There was $404 million in debt connected with those properties.

All of the tax-exempt assets were in commingled accounts.

Copley Real Estate Advisors is affiliated with the New England Mutual Life Insurance Co.

Tax-exempt assets are invested 60% in existing properties and 40% in developing properties. The asset mix by type of property is: office, 30%; R&D, 30%; industrial, 35%; other, 5%.

Clients include AT&T, Stanford University, Nabisco Brands and U S WEST.

Kevin M. Mahony, principal, is in charge of property investments. John C. Phillips Jr., principal, is the client contact.

### Corporate Property Investors

*305 E. 47th St., New York, N.Y. 10017; (212) 421-8200*

| | |
|---|---|
| Total real estate assets managed | $3,100 million |
| Equity | $3,100 million |
| Tax-exempt real estate assets | $2,380 million |
| Equity | $2,380 million |
| Tax-exempt real estate clients | 26 |

As of the year ended June 30, Corporate Property Investors received new business commitments of $150 million from 12 clients for equity real estate and hybrid debt investments.

The firm's holdings, all equity, had a market value of $2.38 billion and a book value of $745 million. There was $377 million in debt financing used for those properties.

Of the total, $1.36 billion was in real estate investment trusts and $935 million was in limited partnerships.

In addition, the firm invested $450 million for foreign clients, of which $200 million was for pension funds.

Tax-exempt assets are invested 98% in existing properties and 2% in development properties.

Corporate Property Investors invests 80% of its assets in regional shopping centers and other commercial income-producing properties, such as major office buildings.

Disque D. Deare, chairman, is in charge of property investments. Hans C. Mautner, president, and Warren Hamer are the client contacts.

### Crocker Real Estate Investment Group

*44 Montgomery St., Suite 2110, San Francisco, Calif. 94104; (415) 477-8550*

| | |
|---|---|
| Total real estate assets managed | $198 million |
| Equity | $198 million |
| Tax-exempt real estate assets | $182 million |
| Equity | $182 million |
| Tax-exempt real estate clients | 209 |

For the year ended June 30, Crocker Real Estate Investment Group reported new commitments of $20 million from two clients for equity


*$463,000,000*

*Copley Investors Limited Partnership*

*Managed by*
***Copley Advisors, Inc.***

*Formed with Real Estate Investments Contributed by*
***New England Mutual Life Insurance Company***

*and*
*Cash Contributed by*
***Nine Tax-Exempt Investors***

***BROOKS HARVEY & CO., INC.***
*acted as advisor in this transaction*
***MORGAN STANLEY & CO.***
***Incorporated***
*acted as placement agent in this transaction*

1633 Broadway, New York, NY 10019 (212) 703-2501
515 South Figueroa Street, Los Angeles, CA 90071 (213) 236-1030
1140 Connecticut Avenue, N.W. Washington, D.C. 20036 (202) 833-2840



BABSON
FIXED INCOME
ADVISORS,
Inc.

David L. Lindsay
President

An affiliate of
David L. Babson & Co., Inc.
Boston, Massachusetts

real estate investments.

Tax-exempt assets under management were fully invested; the portfolio had a market value of $181.7 million and a book value of $145 million. There was $1.1 million in debt connected with those properties.

Of the total under management, $83.2 million was in commingled or pooled equity funds, and $98.5 million was in direct, separate equity accounts.

Tax-exempt assets were invested 86% in existing properties and 14% in developmental ventures.

The asset mix by type of property was: 40% office; 45% industrial, office/warehouse and R&D; 15% shopping centers.

Crocker clients include: Eastern Airlines, Atlantic Richfield and Contra Costa County Employees' Retirement Association.

N. Anthony Dann, vice president, is in charge of property investments. Walter O. Reichenbacher, vice president and general manager, is the client contact.

# d

## D.A. Management Consultants Inc.

*16541 Gothard, No. 202, Huntington Beach, Calif. 92647; (714) 842-0612*

| | |
|---|---|
| Total real estate assets managed | $66 million |
| Equity | $21 million |
| Mortgages | $45 million |
| Tax-exempt real estate assets | $56 million |
| Equity | $11 million |
| Mortgages | $45 million |
| Tax-exempt real estate clients | 1 |

For the year ended June 30, D.A. Management Consultants reported new business commitments of an additional $11.3 million allocation from its sole tax-exempt client for equity real estate investments.

Of the $56.3 million equity real estate under management for tax-exempt clients, the firm's property holdings had a market value of $11.3 million and the fund had $45 million in mortgages.

All of the total tax-exempt assets are invested in existing office properties.

Its U.S. institutional tax-exempt client is the Orange County Employees' Retirement System.

Daniel M. Ardell, president, is in charge of property investments and is the client contact.

## Debenham Tewson & Chinnocks Associates

*450 Park Ave., Suite 1902, New York, N.Y. 10022; (212) 758-8218*

| | |
|---|---|
| Total real estate assets managed | $250 million |
| Equity | $250 million |
| Tax-exempt real estate assets | $0 |

For the year ended June 30, Debenham Tewson managed $250 million in equity real estate investments. It had no tax-exempt assets.

The firm invested $250 million for foreign clients, of which $200 million was from pension funds.

The asset mix by type of property is: 75%, offices; 20%, shopping centers; 5%, miniwarehouses.

C.J. Wood, partner, and T.M. Redfern, associate, are in charge of property investments. Mr. Wood is the client contact.

# e

## Eastdil Realty Inc.

*40 W. 57th St., New York, N.Y. 10019; (212) 315-7200*

| | |
|---|---|
| Total real estate assets managed | $1,422 million |
| Equity* | $1,283 million |
| Mortgages | $140 million |
| Tax-exempt real estate assets | $1,273 million |
| Equity* | $1,203 million |
| Mortgages | $70 million |
| Tax-exempt real estate clients | 8 |

* Combines equity real estate and hybrid debt.

As of the year ended June 30, Eastdil Realty received new business commitments of $57 million from five clients for equity real estate and hybrid debt investments.

Of the $1.28 billion in equity real estate under management for tax-exempt clients, $121.8 million was for contributions committed but not yet received; $13.9 million was in cash. The firm's property holdings had a market value of $1.06 billion and a book value of $971.7 million.

Of the total under management, $10.3 million was in commingled or pooled equity funds, and $1.16 billion was in direct, separate equity accounts.

By investment vehicle, $1.074 billion was in 100% equity and $128.6 million was in hybrid debt.

Tax-exempt assets are invested 90% in existing properties and 10% in developing properties. The asset mix by property is: office, 74%; industrial, 15%; shopping centers, 10%; residential, 1%.

The firm offers a closed-end fund.

Clients include California State Teachers, New York State Employees' Retirement System and TREET.

Robert T. Davis, executive vice president, is in charge of property investments. Donald E. Conover, vice president, is the client contact.

## Richard Ellis Inc.

*350 Park Ave., New York, N.Y. 10022; (212) 355-4810*

| | |
|---|---|
| Total real estate assets managed | $1,424 million |
| Equity* | $1,424 million |
| Tax-exempt real estate assets | $150 million |
| Equity* | $150 million |
| Tax-exempt real estate clients | 1 |

* Combines equity real estate and hybrid debt.

As of the year ended June 30, Richard Ellis received new business commitments of $150 million from one client for equity real estate and hybrid debt investments.

Of the $150 million equity real estate under management for tax-exempt clients, $15 million was for contributions committed but not yet received. The firm's holdings had a market value of $135 million and a book value of $112 7 million.

By asset vehicle, the firm placed $93 million in 100% equity and $57 million in hybrid debt. All of those assets were in a direct, separate account.

In addition, the firm invested $1.14 billion for foreign clients, of which $1.02 billion was for foreign pension funds.

Tax-exempt assets are invested 86% in existing properties and 14% in development properties. The asset mix by type of property is: office buildings, 48%; regional malls, 41%; industrial, 11%.

The firm had one U.S. tax-exempt client, the San Bernardino County Employees.

Christopher D. Budden, president, is in charge of property investments. David R. Hodes, vice president-marketing, is the client contact.

## Equitable Real Estate Investment Management Inc.

*1285 Avenue of the Americas, New York, N.Y. 10019; (212) 554-4213*

| | |
|---|---|
| Total real estate assets managed | $21,542 million |
| Equity* | $10,522 million |
| Mortgages | $11,020 million |
| Tax-exempt real estate assets | $4,044 million |
| Equity* | $4,007 million |
| Mortgages | $37 million |
| Tax-exempt real estate clients | 289 |

* Combines equity real estate and hybrid debt.

As of the year ended June 30, Equitable Real Estate received new business commitments of $905.3 million from 99 clients for equity real estate and hybrid debt investments.

Of the $4 billion in equity real estate under management for tax-exempt clients, $190 million was for contributions committed but not yet received; $266.3 million was in cash. The firm's equity and hybrid debt holdings had a market value of $3.55 billion and a book value of $2.93 billion. There was $368.1 million in debt connected with those properties.

Of the total under management, $3.03 billion was in commingled or pooled equity funds, and $979.6 million was in direct, separate equity accounts.

By investment vehicle, the firm had $3.74 billion in 100% equity and $270 million in hybrid debt.

Of the tax-exempt assets invested, 93.5% are in existing properties and 6.5% are in developing properties. The asset mix by type of property, as of Dec. 31, was 24% East; 32% South; 21% Midwest; 23% West.

Clients include RCA, ITT, Exxon and Westinghouse.

George R. Puskar, president and chief operating officer, is in charge of property investments. Joyce R. Frater, senior vice president, is the client contact.

## Equitec Institutional Realty Advisers Inc.

*7677 Oakport St., Oakland, Calif. 94614; (415) 430-9900*

| | |
|---|---|
| Total real estate assets managed | $1,300 million |
| Equity | $1,300 million |
| Tax-exempt real estate assets | $57 million |
| Equity | $57 million |
| Tax-exempt real estate clients | 10 |

As of the year ended June 30, Equitec received new business commitments of $52 million from 10 clients for equity real estate and hybrid debt investments.

Of the $57 million equity real estate under management for tax-exempt clients, $21 million was for contributions committed but not yet received; the firm's holdings had a market value of $36 million and a book value of $36 million. There was $6 million in debt connected with those properties.

All of the assets invested for tax-exempt clients was in commingled or pooled equity funds.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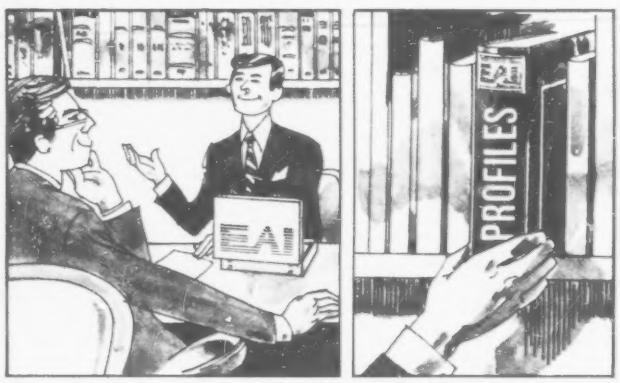


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All of the tax-exempt assets are invested in existing, fully leased office properties in major urban areas.

Among Equitec's clients are K Mart Corp., Boise Cascade Corp. and NALCO Chemical.

M.S. Cason, K.E. Nitzberg and R. McDonald are in charge of property investments. Don Jackson, vice president, is the client contact.

## f

### F.I.A. Associates A Division of First Federal

*2045 Hallmark Dr., Suite 4, Sacramento, Calif. 95825; (916) 920-4051*

| | |
|---|---|
| Total real estate assets managed | $1,472 million |
| Equity* | $1,472 million |
| Tax-exempt real estate assets | $1,472 million |
| Equity* | $1,472 million |
| Tax-exempt real estate clients | 4 |

* Combines equity real estate and hybrid debt

As of the year ended June 30, F.I.A. Associates had $1.43 billion equity real estate under management for tax-exempt clients. Of that, $73.7 million was in cash and the firm's equity and hybrid debt holdings had a book value of $1.35 billion.

Of the total under management, $90 million was in commingled or pooled equity funds and $1.34 billion was in direct, separate equity accounts.

By asset vehicle, the firm placed $401.6 million in 100% equity and $1.025 billion in hybrid debt.

F.I.A. Associates was unable to provide how much it received in new business commitments as of the year ended June 30. During that year, the firm closed deals by investing $912.1 million in equity real estate and hybrid debt for its U.S. tax-exempt clients.

All of the tax-exempt assets are invested in existing properties. The asset mix by type of property is: office buildings, 60%; industrial retail, 8%; retail (free standing), 7%; shopping centers, 11%; mixed use, 10%; apartments, 4%.

The four U.S. institutional tax-exempt clients under real estate management are public: California Employees, Illinois Teachers, Teacher Retirement System of Texas and the Utah State Retirement System.

Norman La Mar, executive vice president, is in charge of property investments. H. James Griggs, president, and David Bonuccelli, senior executive vice president, are the client contacts.

### Fiduciary Trust Co. of New York

*Two World Trade Center, New York, N.Y. 10048; (212) 466-4100*

| | |
|---|---|
| Total real estate assets managed | $400 million |
| Equity | $400 million |
| Tax-exempt real estate assets | $375 million |
| Equity | $375 million |

For the year ended June 30, Fiduciary Trust Co. received new business commitments of $100 million from one tax-exempt client for equity real estate investments.

The firm's holdings had a market value of $375 million.

All of the tax-exempt assets are invested in existing properties.

J. Alan Steinkamp, vice president, is in charge of property investments. Elizabeth Lawrence, business development officer, is the client contact.

### First Chicago Investment Advisors

*Three First National Plaza, Chicago, Ill. 60670; (312) 732-6474*

| | |
|---|---|
| Total real estate assets managed | $733 million |
| Equity | $699 million |
| Mortgages | $34 million |
| Tax-exempt real estate assets | $733 million |
| Equity | $699 million |
| Mortgages | $34 million |
| Tax-exempt real estate clients | 108 |

For the year ended June 30, First Chicago Investment Advisors received new business commitments of $115 million from 13 clients for equity real estate investments.

Of the $699 million in equity real estate under management for tax-exempt clients, $3 million was for contributions committed but not yet received; $35 million was in cash; and the firm's property holdings had a market value of $661 million and a book value of $549 million.

Of the total under management, $637 million was in commingled or pooled equity funds, and $96 million was in direct, separate equity accounts.

All of the tax-exempt assets are invested in existing properties.

The asset mix by property is: office, 38%; residential, 27%; industrial, 19%; retail, 16%.

Clients include General Motors, Caterpillar, Illinois Municipal Retirement Fund, and the United Food and Commercial Workers.

David A. Schwartz, vice president and acquisitions unit head, is in charge of property investments. J. William Baker, vice president and product manager, is the client contact.

### The First National Bank of Atlanta

*2 Peachtree St., N.E., Atlanta, Ga. 30383; (404) 588-5104*

| | |
|---|---|
| Total real estate assets managed | $27 million |
| Equity | $21 million |
| Tax-exempt real estate assets | $27 million |
| Equity | $21 million |
| Tax-exempt real estate clients | 5 |

As of the year ended June 30, The First National Bank of Atlanta received new business commitments of $2.75 million from one client for equity real estate investments.

The firm's equity real estate holdings under management for tax-exempt clients had a market value of $21.4 million and a book value of $19.3 million.

Of the total under management, all $27.2 million was in the bank's commingled equity fund, Timberland II. The fund has five participants. Cash reserves were $5.8 million.

Clients include American Telephone & Telegraph Co. and Equifax Inc.

Robert Chambers, assistant vice president, acquisition forrester, is in charge of property investments. Richard H. Burgin is the client contact.

### First Wisconsin Trust Co.

*777 E. Wisconsin Ave., Box 2054, Milwaukee, Wis. 53201; (414) 765-4844*

| | |
|---|---|
| Total real estate assets managed | $39 million |
| Equity | $21 million |
| Mortgages | $18 million |
| Tax-exempt real estate assets | $6 million |
| Equity | $6 million |
| Tax-exempt real estate clients | 37 |

As of the year ended June 30, First Wisconsin Trust received new business commitments of $1.6 million from seven clients for equity real estate investments.

Of the $6.1 million equity real estate under management for tax-exempt clients, $1.9 million was in cash. The firm's holdings had a market value of $4.2 million and a book value of $4.1 million. All $6.1 million was in commingled or pooled equity funds and invested in existing properties.

The asset mix by type of property is: office, 49%; office/warehouse, 27%; retail, 24%.

Earl D. Lillydahl, vice president-investment group, handles property investments and is the client contact.

## g

### Goldman, Sachs & Co.

*85 Broad St., New York, N.Y. 10004 (212) 902-5628*

| | |
|---|---|
| Total real estate assets managed | $410 million |
| Equity | $410 million |
| Tax-exempt real estate assets | $335 million |
| Equity | $335 million |
| Tax-exempt real estate clients | 13 |

As of the year ended June 30, Goldman, Sachs received new business commitments of $112 million from six clients for equity real estate investments.

Of the $335 million in equity real estate under management for tax-exempt clients, $50 million was for contributions committed but not yet re-


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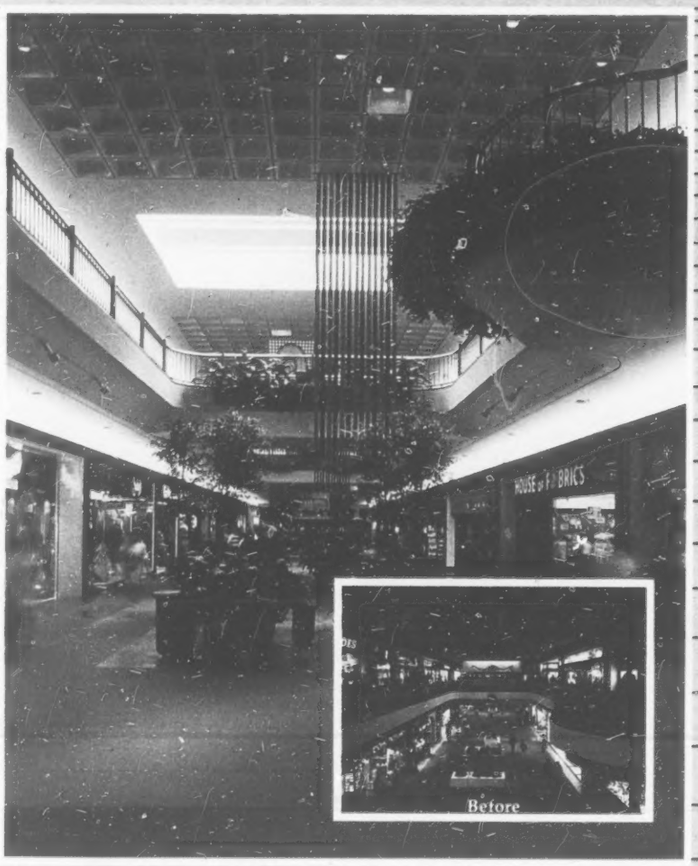


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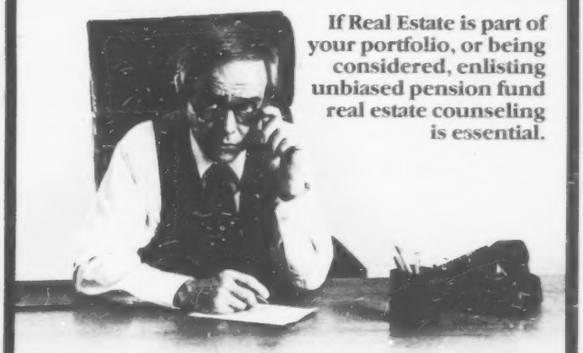

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Wellesley, MA 02144
(617) 235-2350


ceived and $42 million was in cash. The firm's property holdings had a market value of $243 million and a book value of $194 million. There was $4 million in debt connected with those properties.

All tax-exempt assets were in commingled or pooled equity funds.

All tax-exempt assets are invested in existing properties. The firm invests primarily in larger office and industrial buildings, shopping centers and hotels. Investments are made in major metropolitan centers nationwide.

Claude M. Ballard, partner, is in charge of making property investments. John L. Griffith Jr., vice president, is the client contact.

### Grubb & Ellis Co. Institutional Investment Division

*1333 Broadway, Suite 900, Oakland, Calif. 94612; (415) 839-9600*

| | |
|---|---|
| Total real estate assets managed | $2.412 million |
| Equity* | $1.375 million |
| Mortgages | $37 million |
| Tax-exempt real estate assets | $740 million |
| Equity* | $303 million |
| Mortgages | $37 million |
| Tax-exempt real estate clients | 4 |

* Combines equity real estate and hybrid debt.

As of the year ended June 30, Grubb & Ellis received new business commitments of $40 million from one client for equity real estate and hybrid debt investments.

Of the $202.7 million in equity real estate under management for tax-exempt clients, $42 million was for contributions committed but not yet received. The firm's property holdings had a market value of $160.7 million and a book value of $159.5 million. There was $15.5 million in debt connected with those properties.

All tax-exempt assets under management were in direct, separate equity accounts.

Of the tax-exempt assets invested, 99% are in existing properties and 1% are in development properties. The asset mix by type of property is: R&D buildings, 95%; industrial, 2%; office buildings, 3%.

Clients include Kern County Employees' Retirement Association and San Diego Electrical Pension Trust.

Paul J. Weiss, senior vice president-institutional investment division, is in charge of property investments and is the client contact.

**Top ten managers by new business**

| Firm | Tax-exempt assets ($ mil.) |
|---|---|
| Equitable Real Estate Investment Mgt. | $905.3 |
| Aetna Life & Casualty | 650.0 |
| Heitman Advisory Corp. | 562.0 |
| Karsten Institutional Realty Advisors | 532.0 |
| Jones Lang Wootton Realty Advisors | 500.0 |
| Boston Co. Real Estate Counsel Inc. | 384.0 |
| JMB Institutional Realty Corp. | 383.0 |
| LaSalle Advisors Inc. | 377.0 |
| RREEF Funds | 360.0 |
| Copley Real Estate Advisors | 328.0 |

h

### John Hancock Companies

*P.O. Box 111, John Hancock Place, Boston, Mass. 02117; (617) 421-6294*

| | |
|---|---|
| Total real estate assets managed | $10.100 million |
| Equity | $2.600 million |
| Mortgages | $7.500 million |
| Tax-exempt real estate assets | $673 million |
| Equity | $673 million |
| Tax-exempt real estate clients | 74 |

As of the year ended June 30, John Hancock Companies received new business commitments of $27 million from eight clients for equity real estate and hybrid debt investments.

Of the $673.1 million in equity real estate under management for tax-exempt clients, $2.5 million was in cash, and property holdings had a market value of $670.6 million. There was $5.6 million in debt connected with those properties.

All of the assets under management were in commingled or pooled equity funds and invested in existing properties.

The asset mix by type of property is: apartments, 11%; office, 39%; industrial, 34%; hotel, 2%; retail, 11%; timber, 3%.

Kevin McGuire, second vice president and senior portfolio manager, Equity Real Estate Group, is in charge of property investments. Thomas J. Mizo, real estate investment officer-investment marketing, is the client contact.

### Harris Trust & Savings Bank

*111 W. Monroe St., Chicago, Ill. 60690; (312) 461-6346*

| | |
|---|---|
| Total real estate assets managed | $14 million |
| Equity* | $14 million |
| Tax-exempt real estate assets | $14 million |
| Equity* | $14 million |
| Tax-exempt real estate clients | 115 |

* Combines equity real estate and hybrid debt.

As of the year ended June 30, Harris Trust received new business commitments of $3 million from 12 clients for equity real estate and hybrid debt investments.

Of the $14 million in equity real estate under management for tax-exempt clients, $2 million was for contributions committed but not yet received. The firm's holdings had a market value of $12 million and a book value of $11 million. All $14 million was in the bank's Income Property Fund, an open-end, commingled fund.

By asset vehicle, that fund had $12 million in 100% real estate equity and $2 million in hybrid debt.

The asset mix by type of property is: industrial 45%; retail 37%; office 18%.

Clients include South Chicago Community Hospital and Gerber Plumbing Fixtures Corp.

John K. Rutledge, vice president, is in charge of property investments and is the client contact.

### Hayden Associates Inc.

*One Regency Drive, P.O. Drawer 708, Bloomfield, Conn. 06002; (203) 243-1481*

| | |
|---|---|
| Total real estate assets managed | $23 million |
| Equity | $21 million |
| Mortgages | $2 million |
| Tax-exempt real estate assets | $23 million |
| Equity | $21 million |
| Mortgages | $2 million |
| Tax-exempt real estate clients | 1 |

As of the year ended June 30, Hay

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den Associates received new business commitments of $14.5 million from one client for equity real estate and investments.

The firm's equity holdings for its U.S. tax-exempt client had a market value of $20.2 million and a book value of $20 million.

There was $1.1 million in debt connected with those properties.

All assets under management are in direct separate account investment management and invested in existing properties.

The asset mix by type of property is: 37.7% office; 47.6% industrial; and 14.7% hotel.

Its U.S. institutional tax-exempt client under real estate management is a public fund, the New Hampshire Retirement System.

David C. Tolzmann, president, is in charge of property investments and client contact.

### Heitman Advisory Corp.

*180 N. LaSalle St., Chicago, Ill. 60601; (312) 855-5700*

| | |
|---|---|
| Total real estate assets managed | $2,503 million |
| Equity* | $2,461 million |
| Mortgages | $42 million |
| Tax-exempt real estate assets | $1,828 million |
| Equity* | $1,786 million |
| Mortgages | $42 million |
| Tax-exempt real estate clients | 17 |

* Combines equity real estate and hybrid debt.

For the year ended June 30, Heitman Advisory Corp. received new business commitments of $562 million from 14 clients for equity real estate and hybrid debt investments.

Of the $1.79 billion in equity real estate under management for tax-exempt clients, $360 million was for contributions committed but not yet received; $19 million was in cash, and holdings had a market value of $1.38 billion.

Of the total under management, $224 million was in commingled or pooled equity funds, $1.55 billion was in direct, separate equity accounts, and the mortgage holdings were in direct, separate accounts.

By asset vehicle, the equity holdings were $1.59 billion in 100% equity and $194.65 million in hybrid debt.

In addition, the firm invested $254 million for foreign pension funds.

Of the total tax-exempt assets invested, 96% are in existing properties and 4% are in development properties. The asset mix by property is: shopping centers, 19%; office buildings, 39%; industrial parks, 11%; mixed use, 31%.

Clients include AT&T, Sara Lee, Kentucky Retirement Systems and Pacific Lighting Corp.

Norman Perlmutter, chairman, is in charge of property investments. David M. Glickman, executive vice president, is the client contact.

### HT Investors

*One Hospital Trust Plaza, Providence, R.I. 02903; (401) 278-7606*

| | |
|---|---|
| Total real estate assets managed | $11 million |
| Equity | $11 million |
| Tax-exempt real estate assets | $11 million |
| Equity | $11 million |
| Tax-exempt real estate clients | 19 |

Of the $11 million equity real estate under management for tax-exempt clients, $3 million was in cash. The firm's holdings had a market value of $8 million and a book value of $7 million. There was $2 million in debt connected with those properties.

All of the assets under management were in commingled equity funds.

Dan Woolley, vice president, and Elaine A. DeLeon, investment assistant, are in charge of property investments and are the client contacts.

### ICC Realty Advisers Inc.

*56 E. Pine St., Suite 200, Orlando, Fla. 32801; (305) 841-6241*

| | |
|---|---|
| Total real estate assets managed | $76 million |
| Equity | $6 million |
| Mortgages | $70 million |
| Tax-exempt real estate assets | $76 million |
| Equity | $6 million |
| Mortgages | $70 million |
| Tax-exempt real estate clients | 28 |

ICC Realty Advisers Inc. property holdings had a market value of $6 million and a book value of $3.3 million as of June 30. The firm also had $70 million earmarked for mortgage investments. Of that, $50 million is in cash and $20 million is in commitments, with cash not yet received.

Of the property holdings, 12% are in existing properties and 88% are for development properties. The asset mix by property type is: office, 80%; hotel, 20%.

Clients include the IBEW Local 323 Annuity Fund.

Byron W. Giltz, president, is in charge of making property investments and is the client contact.

### InterFirst Bank Dallas

*P.O. Box 83794, Dallas, Texas 75283; (214) 977-4650*

| | |
|---|---|
| Total real estate assets managed | $625 million |
| Equity* | $522 million |
| Mortgages | $93 million |
| Tax-exempt real estate assets | $356 million |
| Equity* | $351 million |
| Mortgages | $5 million |
| Tax-exempt real estate clients | 163 |

* Combines equity real estate and hybrid debt.

For the year ended June 30, InterFirst Bank Dallas received new business commitments of $20 million for equity real estate and hybrid debt investments.

The firm's property holdings had a market value of $341.3 million and a book value of $304.7 million. There was $10 million in debt connected with those properties.

Of the total under management, $97.3 million was in commingled or pooled equity funds, and $254 million was in direct, separate equity accounts. The mortgage holdings were also in direct, separate equity accounts.

By asset vehicle, the real estate equity holdings were $319.3 million in 100% equity and $32 million in hybrid debt.

Tax-exempt assets are invested 97% in existing properties and 3% in developing properties. The asset mix by property is: office, 67%; retail, 6%; industrial, 20%; and land, 7%.

The open-end funds are InterFirst Corporation Real Estate Collective Investment Fund and InterFirst Corporation Real Estate Fund for Endowments and Foundations.

Clients include AT&T and Celanese.

Sam T. Kincaid II, vice president, and Michael D. Palise, assistant vice president, are in charge of property investments. Robert H. Berger, vice president, is the client contact.

### JMB Institutional Realty Corp.

*875 N. Michigan Ave., Suite 3960, Chicago, Ill. 60611; (312) 440-5000*

| | |
|---|---|
| Total real estate assets managed | $11,500 million |
| Equity* | $11,500 million |
| Tax-exempt real estate assets | $1,372 million |
| Equity | $1,372 million |
| Tax-exempt real estate clients | 130 |

* Combines equity real estate and hybrid debt.

As of the year ended June 30, JMB Institutional Realty received new business commitments of $383 million from 50 clients for equity real estate investments.

Of the $1.37 billion under management for tax-exempt clients, $260 million was for contributions committed but not yet received, $12 million was in cash, and the firm's holdings had a market value of $1.1 billion and a book value of $745 million. There was $231 million in debt connected with those properties.

Tax-exempt assets are invested 93% in existing properties and 7% in development properties. The asset mix by type of property is: office buildings, 41%; retail properties, 59%.

There are seven commingled or pooled funds.

Clients include Alaska Permanent Fund, Xerox, State of Connecticut and Stanford University.

Jerome J. Clayes, executive vice president, JMB Realty Corp., is in charge of property investments. John S. Lillard, president, JMB Institutional Realty Corp., is the client contact.


# Our investment philosophy makes every year a good year for real estate.

Quite a few years ago, Wachovia developed a new formula for pension fund real estate investment — a formula so unique and yet so effective (see the chart at left), it took Wachovia to conceive it.




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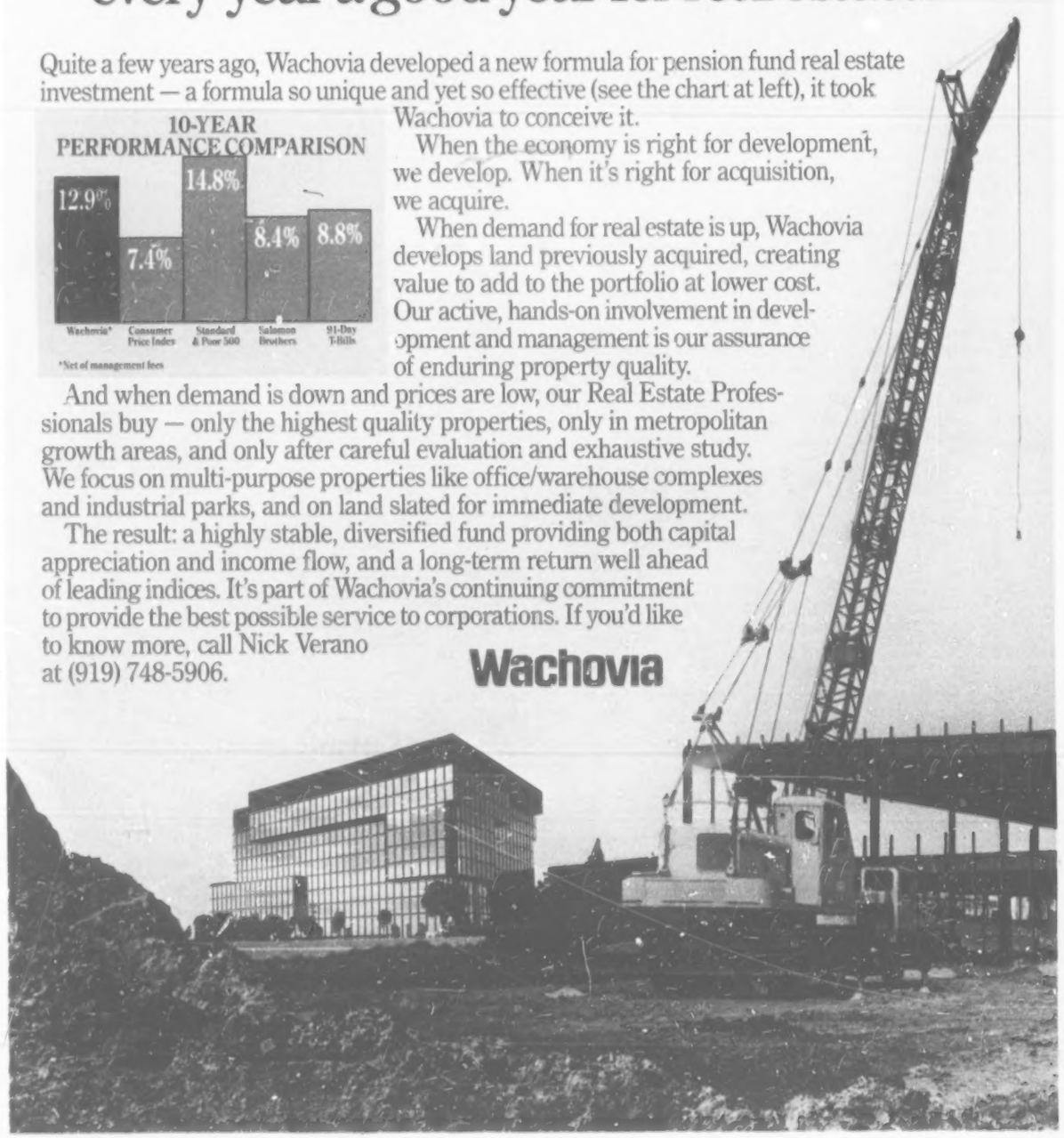
**Wachovia**



## Directory

### Jones Lang Wootton Realty Advisors

*499 Park Ave., New York, N.Y. 10021; (212) 688-8181*

| | |
|---|---|
| Total real estate assets managed | $1,200 million |
| Equity* | $1,200 million |
| Tax-exempt real estate assets | $700 million |
| Equity* | $700 million |
| Tax-exempt real estate clients | 4 |

As of the year ended June 30, Jones Lang Wootton received new business commitments of $500 million from four clients for equity real estate and hybrid debt investments.

Of the $700 million equity real estate under management for tax-exempt clients, $350 million was for contributions committed but not yet received. The firm's holdings had a book value of $350 million. There was $50 million in debt connected with those properties.

All of the funds were in direct, separate equity accounts.

By asset vehicle, the tax-exempt equity assets were $450 million in 100% equity and $250 million in hybrid debt.

In addition, the firm invested $500 million for foreign pension funds, of which $350 million was for foreign pension funds.

Of the total tax-exempt assets invested, 50% are in existing properties and 50% are in development properties. Investments are made in major U.S. commercial properties.

The tax-exempt clients under real estate management by the firm are Pennsylvania Public School Employees, U.S. Steel, U S WEST Inc. and Pacific Telesis.

John A. Weisz, Stephen J. Furnary and Frank L. Sullivan are in charge of property investments and are the client contacts.

## k

### Karsten Institutional Realty Advisors

*12121 Wilshire Blvd., Suite 900, Los Angeles, Calif. 90025; (213) 826-0035*

| | |
|---|---|
| Total real estate assets managed | $738 million |
| Equity | $729 million |
| Mortgages | $9 million |
| Tax-exempt real estate assets | $738 million |
| Equity | $729 million |
| Mortgages | $9 million |
| Tax-exempt real estate clients | 16 |

As of the year ended June 30, Karsten Institutional Realty received new business commitments of $532 million from 14 clients for equity real estate investments.

Of the $729 million equity real estate under management for tax-exempt clients, $383 million was for contributions committed but not yet received; $44 million was in cash. The firm's holdings had a market value of $311.2 million and a book value of $296.2 million. There was $9.4 million in debt connected with those properties.

Of the total under management, $44 million was in commingled or pooled equity funds, and $694.2 million was in direct, separate equity accounts.

All of the total tax-exempt assets are invested in existing properties. The asset mix by type of property is: office buildings, 40%; shopping centers, 30%; industrial properties, 30%.

Clients include Ohio State Teachers and Teamster Central States.

Hugh G. Hilton, senior vice president, is in charge of property investments. John M. Lundsten, chairman, is the client contact.

### Kennedy Associates Real Estate Counsel Inc.

*2400 Financial Center Building, Seattle, Wash. 98161; (206) 623-4739*

| | |
|---|---|
| Total real estate assets managed | $817 million |
| Equity* | $550 million |
| Mortgages | $67 million |
| Tax-exempt real estate assets | $817 million |
| Equity* | $550 million |
| Mortgages | $67 million |
| Tax-exempt real estate clients | 11 |

* Combines equity real estate and hybrid debt.

As of the year ended June 30, Kennedy Associates Real Estate Counsel received new business commitments of $100 million from two clients for equity real estate and hybrid debt investments.

Of the $550 million equity real estate under management for tax-exempt clients, $100 million was for contributions committed but not yet received; $60.5 million was in cash. The firm's holdings had a market value of $389.5 million and a book value of $367 million. There was $16 million in debt connected with those properties.

Of the total under management, $231 million was in commingled or pooled equity funds, and $319 million was in direct, separate equity accounts.

By asset vehicle, the firm placed $187 million in 100% real estate equity and $363 million in hybrid debt.

Of the total tax-exempt assets invested, 77.5% are in existing properties and 22.5% are in development properties. The asset mix by type of property is: office, 64.7%; retail, 7.5%; hotel, 2.5%; mixed use, 1.8%; industrial, 10%; office R&D, 12.2%; and condo/land, 1.3%.

Jim C. Snyder, president, is the person in charge of making property investments. Michael T. Oliver, vice president, is the client contact.

## l

### Landauer Advisors Inc.

*335 Madison Ave., New York, N.Y. 10017; (212) 687-2323*

| | |
|---|---|
| Total real estate assets managed | $814 million |
| Equity* | $814 million |
| Tax-exempt real estate assets | $141 million |
| Equity* | $141 million |
| Tax-exempt real estate clients | 6 |

* Combines equity real estate and hybrid debt.

As of the year ended June 30, Landauer Advisors received new business commitments of $12 million from two clients for equity real estate and hybrid debt investments.

The firm's holdings had a market value of $141.2 million and a book value of $138.8 million.

By investment vehicle, the firm had $130.9 million in 100% equity and $10.25 million in hybrid debt.

Of the total under management, $36.2 million was in commingled or pooled equity funds, and $105 million was in direct, separate equity accounts.

In addition, the firm invested $672.8 million for foreign pension funds.

All of the total tax-exempt assets are invested in existing properties. The asset mix by type of property is: investment-grade retail, industrial, master-planned parks only and office-retail, 19%; office, 81%.

Landauer offers two commingled funds, Landauer Fund I and II.

Clients include General Motors, General Tire, Honeywell, British Shell and Unilever.

Charles H. Vaughn Jr., senior vice president, is in charge of property investments. Kenneth Koplow, vice president, is the client contact.

### The Landsing Corp.

*800 El Camino Real, Menlo Park, Calif. 94026; (415) 321-7100*

| | |
|---|---|
| Total real estate assets managed | $500 million |
| Equity* | NA |
| Mortgages | NA |
| Tax-exempt real estate assets | $122 million |
| Equity* | $122 million |
| Tax-exempt real estate clients | NA |

* Combines equity real estate and hybrid debt.

As of the year ended June 30, Landsing Corp. received new business commitments of $56 million from tax-exempt institution clients for equity real estate and hybrid debt investments.

The firm's holdings had a book value of $122 million, all of which was in commingled or pooled funds. Of that, $91.5 million was in 100% equity and $30.5 million was in hybrid debt.

The asset mix by type of property is: office, 30%; industrial, 11%; retail, 26%; residential, 21%; land, 12%.

The firm offers a real estate investment trust.

Tina Thomas, marketing coordinator, is the client contact.

### LaSalle Advisors Inc.

*11 S. LaSalle St., Chicago, Ill. 60603; (312) 782-5800*

| | |
|---|---|
| Total real estate assets managed | $2,700 million |
| Equity | $2,700 million |
| Tax-exempt real estate assets | $1,540 million |
| Equity | $1,540 million |
| Tax-exempt clients | 41 |

As of the year ended June 30, LaSalle Advisors received new business commitments of $377 million from 11 clients for equity real estate investments.

Of the $1.55 billion equity real estate under management for tax-exempt clients, $650 million was for contributions committed but not yet received; $45 million was in cash. The firm's property holdings had a market value of $853.5 million and a book value of $749.3 million. There was $276.7 million in debt connected with those properties.

Of the total under management, $913.2 million was in commingled or pooled equity funds, and $635.4 million was in direct, separate equity accounts.

All of the total tax-exempt assets are invested in existing properties. The asset mix by type of property is: office, 60%; retail, 30%; industrial, 10%.

LaSalle Advisors concentrates on equity investments in existing office buildings, shopping centers and industrial parks, with the intent of providing both current returns and strong appreciation potential. Emphasis is on intensive management.

The commingled funds are LaSalle Street Fund Incorporated, LaSalle Fund II and LaSalle Fund III.

Clients include Caterpillar Tractor, American Stores, California Public Employees, and U S WEST.

Stanislaw Maliszewski, senior vice president, is the client contact.


# Results...

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A20 PIA

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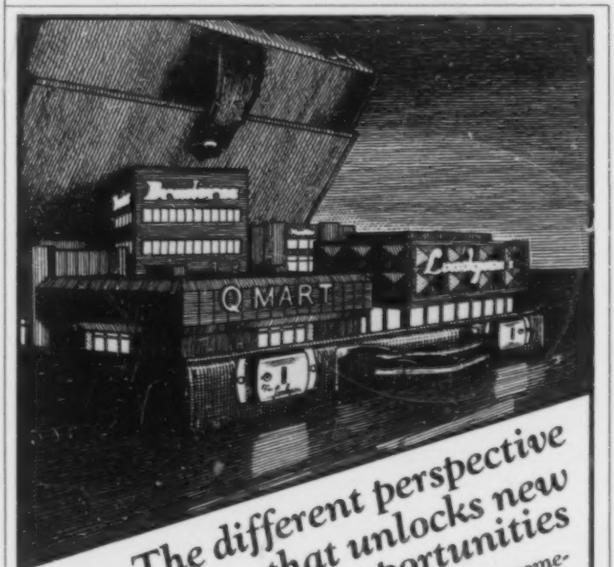


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### L&B Real Estate Advisors

*121 S. Broad St., Philadelphia, Pa. 19107; (215) 985-3900*

| | |
|---|---|
| Total real estate assets managed | $1,095 million |
| Equity* | $501 million |
| Mortgages | $594 million |
| Tax-exempt real estate assets | $1,095 million |
| Equity* | $501 million |
| Mortgages | $594 million |
| Tax-exempt real estate clients | 1 |

* Hybrid debt assets

As of the year ended June 30, L&B Real Estate Advisors received new business commitments of $115 million from one client for equity real estate and hybrid debt investments.

Of the $501 million in equity real estate under management for one corporate, tax-exempt client, $115 million was for contributions committed but not yet received. The firm's holdings had a market value of $386 million and a book value of $374 million.

All of the assets under management were in direct, separate equity accounts.

Of the tax-exempt assets invested, 75% are in existing properties and 25% are in development properties. The asset mix by type of property is: office, 85%; retail, 6%; industrial, 1%; and hotel, 8%.

Douglas Callantine, vice president, is in charge of property investments. Alan T. Yuhas, director of marketing, is the client contact.

### Lehndorff & Babson Real Estate Counsel

*2501 Cedar Springs, Suite 340, Dallas, Texas 75201; (214) 871-7688*

| | |
|---|---|
| Total real estate assets managed | $1,416 million |
| Equity | $1,416 million |
| Tax-exempt real estate assets | $391 million |
| Equity | $391 million |
| Tax-exempt real estate clients | 21 |

As of the year ended June 30, Lehndorff & Babson Realty received new business commitments of $157 million from 14 clients for equity real estate investments.

Of the $391 million equity real estate under management for tax-exempt clients, $61 million was for contributions committed but not yet received and $5 million was in cash. The firm's property holdings had a market value of $325 million and a book value of $238 million. There was $67 million in debt connected with those properties.

Of the total under management, $36 million was in commingled or pooled equity funds, and $355 million was in direct, separate equity accounts.

The firm invested $1.03 billion for foreign clients, of which $120 million was for pension funds.

Of the tax-exempt assets invested, 79% are in existing properties and 21% are in development properties. Investments are primarily made in retail and office properties. Retail represents 49%.

The two commingled funds are Lehndorff & Babson Property Fund and Lehndorff & Babson Property Fund II.

Marci A. Fagan, executive vice president-acquisitions manager, is in charge of property investments. Robert M. Angland, executive vice president, is the client contact.

### Lieberman Companies

*199 Middle Neck Rd., Great Neck, N.Y. 11021; (516) 466-6565*

| | |
|---|---|
| Total real estate assets managed | $110 million |
| Mortgages | $110 million |
| Tax-exempt real estate assets | $110 million |
| Mortgages | $110 million |
| Tax-exempt clients | NA |

Lieberman had $110 million in mortgages under management for tax-exempt clients. Of that, $10 million was for contributions committed but not yet received.

Bruce R. Lieberman is in charge of property investments and is the client contact.

### Loeb Partners Realty

*521 Fifth Ave., New York, N.Y. 10175; (212) 883-0371*

| | |
|---|---|
| Total real estate assets managed | $450 million |
| Equity | $450 million |
| Tax-exempt real estate assets | $80 million |
| Equity | $80 million |
| Tax-exempt real estate clients | 1 |

For the year ended June 30, Loeb Partners had $80 million equity real estate under management for one tax-exempt client. All of those assets were in a direct, separate equity account.

The firm also invests $75 million for foreign clients, of which $40 million was for pension funds.

All of the tax-exempt assets are invested in existing properties. The asset mix by property is: office buildings, 50%; shopping centers, 30%; apartments, 10%; miscellaneous, 10%.

Joseph S. Lesser, president, is in charge of property investments. Gary L. Naughton, vice president, is the client contact.

### The Lomas & Nettleton Advisory Group Inc.

*P.O. Box 225644, Dallas, Texas 75265; (214) 761-8296*

| | |
|---|---|
| Total real estate assets managed | $525 million |
| Mortgages | $525 million |
| Tax-exempt real estate assets | $525 million |
| Mortgages | $525 million |
| Tax-exempt real estate clients | 30 |

As of the year ended June 30, Lomas & Nettleton received new business commitments of $145 million from 30 clients for investing in mortgages.

The firm's mortgage holdings had a market value of $525 million and a book value of $408 million. Of the total under management, $21 million was in commingled or pooled equity funds, and $504 million was in direct, separate equity accounts.

Of the tax-exempt assets invested, 80% are in existing properties and 20% are in development properties. Investments are made in offices, industrial, retail and multi-family structures.

The commingled fund is Lomas & Nettleton Institutional Mortgage Fund Ltd.

David A. Ridley, senior vice president, is in charge of property investments and is the client contact.

*Pensions and Investment Age* will feature a microcomputer products and services guide for investment managers' personal computers in its Oct. 14 issue.

m

### Manufacturers Hanover Trust Co. Real Estate Investment Advisory Group

*270 Park Ave., New York, N.Y. 10017; (212) 286-6044*

| | |
|---|---|
| Total real estate assets managed | $676 million |
| Equity | $88 million |
| Mortgages | $586 million |
| Tax-exempt real estate assets | $676 million |
| Equity | $88 million |
| Mortgages | $588 million |
| Tax-exempt real estate clients | 8 |

As of the year ended June 30, Manufacturers Hanover gained $60 million in business from five U.S. institutional tax-exempt clients for equity real estate investments.

Investments are made primarily in shopping centers.

Tax-exempt clients include Arizona Laborers, Teamsters & Cement Masons' Pension Fund and Arizona State Carpenters Fund.

The client contact is Willian C. Petty, vice president.

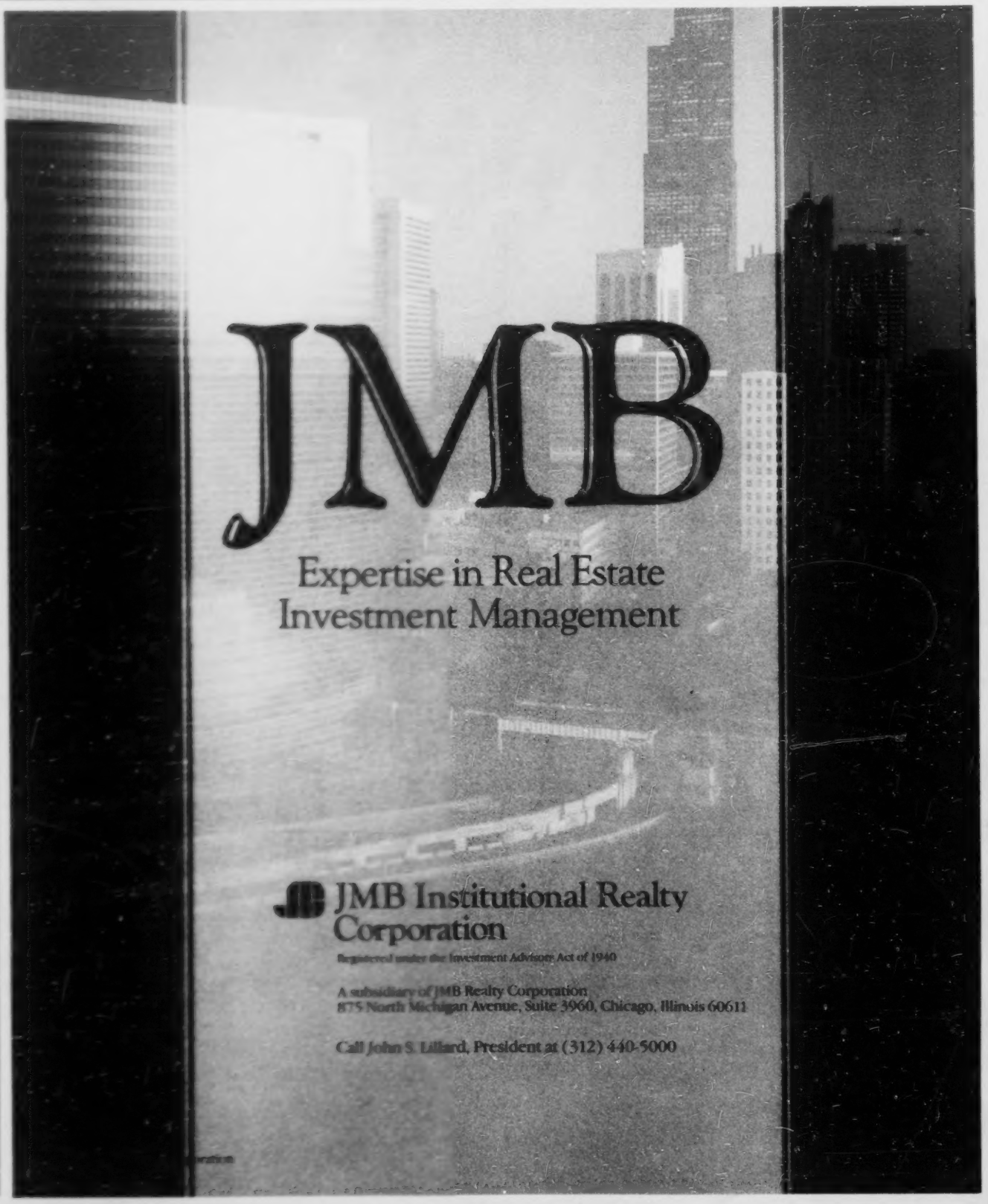
### Massachusetts Mutual Life Insurance Co.

*1295 State St., Springfield, Mass. 01111; (413) 788-8411*

| | |
|---|---|
| Total real estate assets managed | $2,978 million |
| Equity | $286 million |
| Mortgages | $2,692 million |
| Tax-exempt real estate assets | $48 million |
| Equity | $48 million |
| Tax-exempt real estate clients | 52 |

As of the year ended June 30, Massachusetts Mutual received new business commitments of $2.6 million from 14 clients for equity real estate investments.

Of the $48 million in equity real estate under management for tax-exempt clients, $8.1 million was in cash. The firm's holdings had a market value of $39.9 million and a book value of $37.3 million.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All of the total tax-exempt assets are invested in existing properties. The asset mix by type of property is: office, 46%; industrial, 32%; retail, 22%.

Of the total U.S. institutional tax-exempt clients under real estate management, 49 are corporate; one is public; and two are union.

David L. Brassard, director of real estate investment, is in charge of property investments. Peter J. Vogian, senior vice president, is the client contact.

### John McMahan Associates Inc.

*201 California St., San Francisco, Calif. 94111; (415) 433-7770*

| | |
|---|---|
| Total real estate assets managed | $438 million |
| Equity* | $438 million |
| Tax-exempt real estate assets | $388 million |
| Equity* | $388 million |
| Tax-exempt real estate clients | 9 |

* Combines equity real estate and hybrid debt.

As of the year ended June 30, John McMahan Associates received new business commitments of $160 million from three clients for equity real estate and hybrid debt investments.

Of the $388 million equity real estate under management for tax-exempt clients, $300 million was for contributions committed but not yet received. The firm's holdings had a market value of $88 million and a book value of $87.8 million. There was $5.6 million in debt connected with those properties.

Of the total under management, $47.8 million was in commingled or pooled equity funds, and $340.2 million was in direct, separate equity accounts.

By asset vehicle, the firm placed $274.3 million in 100% equity and $113.7 million in hybrid debt.

All of the tax-exempt assets are invested in existing properties. The asset mix by type of property is: office, 71.2%; retail, 12.2%; and R&D, 16.6%.

The commingled funds are McMahan Equity Real Estate Fund-I and Fund-II.

Clients include Safeway Stores Inc., Honeywell Inc., University of California Board of Regents, State of Connecticut, and Florida Power & Light.

Steven Brabant, vice president, is in charge of property investments. J. Raymond Walker, vice president, is the client contact.

### H.D. McNee Realty Advisers

*1501 Sixth Ave., Suite 300, San Diego, Calif. 92101; (619) 234-1949*

| | |
|---|---|
| Total real estate assets managed | $57 million |
| Equity | $8 million |
| Mortgages | $49 million |
| Tax-exempt real estate assets | $57 million |
| Equity | $8 million |
| Mortgages | $49 million |
| Tax-exempt real estate clients | 3 |

H.D. McNee Realty Advisers' real estate equity holdings had a market value of $8 million and a book value of $5 million.

All assets under management were in direct, separate equity accounts.

All assets are invested in existing properties. Investments are made 100% in commercial/industrial real estate.

H.D. McNee Jr., president, is the client contact.

### The Robert A. McNeil Corp.

*2855 Campus Dr., San Mateo, Calif. 94403; (415) 572-0660*

| | |
|---|---|
| Total real estate assets managed | $2,500 million |
| Equity | $2,500 million |
| Tax-exempt real estate assets | $276 million |
| Equity | $276 million |
| Tax-exempt real estate clients | 600 |

As of the year ended June 30, The Robert A. McNeil Corp. received new business commitments of $4 million for equity real estate and hybrid debt investments.

Of the $276 million equity real estate under management for tax-exempt clients, $1 million was in cash. The firm's holdings had a market value of $275 million and a book value of $165 million.

All of those assets are invested in existing properties. The asset mix by type of property is: 70% multi-family housing; 30% commercial.

Bruce Schnitz, senior vice president, is in charge of property investments. Paul E. Dunn, senior vice president, is the client contact.

### Mellon Real Estate Investment Management Corp.

*551 Madison Ave., 15th Floor, New York, N.Y. 10022; (212) 702-4040*

| | |
|---|---|
| Total real estate assets managed | $700 million |
| Equity* | $491 million |
| Mortgages | $209 million |
| Tax-exempt real estate assets | $700 million |
| Equity* | $491 million |
| Mortgages | $209 million |
| Tax-exempt real estate clients | 7 |

* Combines equity real estate and hybrid debt.

As of the year ended June 30, Mellon Real Estate received new business commitments of $150 million from seven clients for equity real estate and hybrid debt investments.

The firm's holdings had a book value of $353 million. There was $138 million in debt connected with those properties.

All of the assets under management were in direct, separate equity accounts.

By asset vehicle, the firm placed $291 million in equity and $200 million in hybrid debt.

All of the tax-exempt assets are invested in existing properties. The asset mix by type of property is: office, 65%; industrial, 10%; retail, 8%; hotel, 2%; office, 15%.

The commingled fund, Mellon Income Property Fund I, is a Mellon Bank-sponsored, closed-end collective trust with Mellon Real Estate Investment Management Corp. as the investment adviser.

Clients include the Detroit General Retirement System, Westinghouse Electric, Borg-Warner, Georgia Employees.

James T. Foran, executive vice president, is in charge of making property investments. Karin E. Shewer, vice president, is the client contact.

### L.J. Melody & Co.

*1 Riverway, Suite 1850, Houston, Texas 77056; (713) 877-1187*

| | |
|---|---|
| Total real estate assets managed | $1,668 million |
| Equity* | $735 million |
| Mortgages | $833 million |
| Tax-exempt real estate assets | $517 million |
| Equity* | $517 million |
| Tax-exempt real estate clients | 2 |

*Hybrid debt assets

As of the year ended June 30, L.J. Melody received new business commitments of $248.4 million from one client for hybrid debt investments.

Of the $516.6 million in equity real estate under management for tax-exempt clients, $192.4 million was for contributions committed but not yet received. The firm's holdings had a book value of $324.2 million.

Of the tax-exempt assets under management, $37 million was in commingled or pooled equity funds, and $479.6 million was in direct, separate equity accounts.

All tax-exempt assets are invested in hybrid debt instruments.

Types of properties invested in include office, industrial, retail, hotel and multiuse.

Clients are Teacher Retirement System of Texas and Pennsylvania Public School Employees'.

Lawrence J. Melody, president, is in charge of property investments. William D. Murphy, senior vice president and treasurer, is the client contact.

### Metropolitan Life and Affiliated Co.

*1 Madison Ave., New York, N.Y. 10010; (212) 578-7447*

| | |
|---|---|
| Total real estate assets managed | $17,896 million |
| Equity | $4,936 million |
| Mortgages | $12,960 million |
| Tax-exempt real estate assets | $429 million |
| Equity | $368 million |
| Mortgages | $61 million |
| Tax-exempt real estate clients | 41 |

As of the year ended June 30, Metropolitan Life received new business commitments of $92.5 million from 29 clients for equity real estate and hybrid debt investments.

Of the $428.9 million equity real estate under management for tax-exempt clients, $23 million was for contributions commited but not yet received; $19 million was in cash. The firms property holdings had a market value of $326 million and a book value of $296 million. There was no debt connected with the properties.

Of the tax-exempt assets under management, $368 million was in commingled equity funds. There was $60.9 million in mortgages in the pooled funds.

The approximate asset mix by type of property is: 65% office; 16% research and development and R&D/office; 2% industrial; 8% retail; 7% hotels, motels and inns; 1% land; and 1% mixed use.

Clients include American Can Co., St. Regis Paper Co., Niagara Mohawk Power Corp. and NL Industries Inc.

Glen E. Coverdale, executive vice president, is in charge of property investments. George M. Jamgochian, assistant vice president, is the client contact.

### MONY Financial Services

*4 Manhattanville Rd., Purchase, N.Y. 10577; (914) 697-8731*

| | |
|---|---|
| Total real estate assets managed | $2,937 million |
| Equity* | $706 million |
| Mortgages | $2,231 million |
| Tax-exempt real estate assets | $89 million |
| Equity | $89 million |
| Tax-exempt real estate clients | 51 |

* Combines equity real estate and hybrid debt.

### Top 10 tax-exempt mortgage managers

| Firm | ($ mil.) |
|---|---|
| L&B Real Estate Advisors | $594.0 |
| Manufacturers Hanover Trust Co. | 588.0 |
| Lomas & Nettleton Advisory Group Inc. | 525.0 |
| Scudder Realty Advisors Inc. | 450.0 |
| Wells Fargo Realty Advisors | 271.0 |
| Mellon Real Estate Investment Mgt. | 209.0 |
| Aldrich, Eastman & Waltch Inc. | 190.0 |
| Union Labor Life Insurance Co. | 153.0 |
| United Trust Fund | 135.0 |
| Am Cal Co. | 130.0 |

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The Equitable Life Assurance Society of the United States
New England Mutual Life Insurance Company
Telephone Real Estate Equity Trust

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As of the year ended June 30, MONY received new business commitments of $43.4 million from 19 clients for equity real estate and hybrid debt investments.

The firm's holdings had a market value of $69.4 million. There was $3.2 million in debt connected with those properties. All tax-exempt assets under management were in commingled or pooled equity funds.

All of the tax-exempt assets are invested in existing properties. The asset mix by type of property is: retail, 22%; office, 49%; industrial, 29%.

Robin L. Blauer, portfolio manager-equity real estate, is in charge of property investments. Wayne R. Dominguez is the client contact.

### J.P. Morgan Investment Management Inc.

*9 W. 57th St., New York, N.Y. 10019; (212) 826-1709*

| | |
|---|---|
| Total real estate assets managed | $1,245 million |
| Equity* | $1,245 million |
| Tax-exempt real estate assets | $742 million |
| Equity* | $742 million |
| Tax-exempt real estate clients | 153 |

* Combines equity real estate and hybrid debt.

As of the year ended June 30, J.P. Morgan Investment Management received new business commitments of $67 million from seven clients for equity real estate and hybrid debt investments.

Of the $742 million equity real estate under management for tax-exempt clients, $13 million was in cash. The firm's holdings had a market value of $612 million and a book value of $534 million. There was $4 million in debt connected with those properties.

Of the total under management, $609 million was in commingled or pooled equity funds, and $133 million was in direct, separate equity accounts.

By asset vehicle, $67 million was in 100% equity and $675 million in hybrid debt.

Of the tax-exempt assets under management, 80% are invested in existing properties and 20% are invested in development properties. The asset mix by type of property is: 59%, office; 35%, retail; 4%, industrial; 2%, hotel.

The open-end commingled fund is The Real Estate Fund.

Timothy J. Heise, managing director, is in charge of property investments and is the client contact.

## n

### NCNB National Bank

*1 NCNB Plaza, Charlotte, N.C. 28255; (704) 374-8405*

| | |
|---|---|
| Total real estate assets managed | $613 million |
| Equity | $613 million |
| Tax-exempt real estate assets | $613 million |
| Equity | $613 million |
| Tax-exempt real estate clients | 522 |

As of the year ended June 30, NCNB National Bank received new business commitments of $221 million from 91 clients for equity real estate investments.

Of the $613 million in equity real estate under management for tax-exempt clients, $244 million was for contributions committed but not yet received; $59 million was in cash. The firm's property holdings had a market value of $310 million and a book value of $235 million. There was no debt connected with those properties.

Of the total under management, $234 million was in commingled or pooled equity funds and $379 million was in direct, separate equity accounts.

The assets were invested 74% in existing properties and 26% in development properties. The asset mix by type of property is: 6%, office; 83%, office/industrial/warehouse/R&D; 11%, underdeveloped land.

Clients include Eastern Air Lines Pilots, Duke Power Co. and Ohio School Employees' Retirement System.

Floyd Boyce, senior vice president, is in charge of property investments. Mark S. Coltrin, vice president, is the client contact.

### New England Mutual Life Insurance Co.

*501 Boyiston St., Boston, Mass. 02117; (617) 578-2000*

| | |
|---|---|
| Total real estate assets managed | $2,900 million |
| Mortgages | $2,900 million |
| Tax-exempt real estate assets | $8 million |
| Mortgages | $8 million |

Of the real estates assets under management by New England Mutual as of the year ended June 30, $8 million was in a commingled mortgage fund.

Donald I. Gregg, senior vice president, group pension marketing, is the client contact.

### New York Life Insurance Co.

*51 Madison Ave., New York 10010; (212) 576-7437*

| | |
|---|---|
| Total real estate assets managed | $6,666 million |
| Equity* | $566 million |
| Mortgages | $6,100 million |
| Tax-exempt real estate assets | $33 million |
| Equity | $33 million |
| Tax-exempt real estate clients | 14 |

* Combines equity real estate and hybrid debt.

New York Life had $33 million in equity real estate under management for tax-exempt clients.

Of that, $2.8 million was in cash, and the property holdings had a market value of $30.2 million and a book value of $28.6 million.

All of the assets under management were in commingled or pooled equity funds.

All of the tax-exempt assets are invested in existing properties. The asset mix by type of property is: office, 45%; research and development, 34%; retail, 21%.

Harold K. Herzog, senior vice president, is in charge of property investments. Thomas J. Connolly is the client contact.

## p

### Pacific Realty Advisors

*44 Montgomery St., Suite 4230, San Francisco, Calif. 94104; (415) 392-3665*

| | |
|---|---|
| Total real estate assets managed | $94 million |
| Equity* | $94 million |
| Tax-exempt real estate assets | $29 million |
| Equity | $29 million |
| Tax-exempt real estate clients | 3 |

* Combines equity real estate and hybrid debt.

Pacific Realty Advisors had $29.3 million in equity real estate under management for tax-exempt clients. Of that, $2.6 million was in cash and the property holdings had a market value of $26.7 million and a book value of $25.7 million.

All of those assets were in commingled or pooled equity funds. The firm placed 75% of the assets in existing properties and 25% in development properties. The asset mix by type of property is: office buildings, 75%; shopping centers, 25%.

The commingled funds are offered by Dodge & Cox, a San Francisco-based investment adviser and managed by Pacific Realty Advisors.

There are three clients under management: Kaiser Aluminum & Chemical Corp., Fireman's Fund Insurance and American Express.

James O. Goldsmith, president, William T. Phillips, senior vice president, and Donald G. Judd, vice president and chief financial officer, are in charge of property investments and are the client contacts.

### The Palmieri Co.

*2021 K St., N.W., Suite 700, Washington, D.C. 20006; (202) 223-8690*

| | |
|---|---|
| Total real estate assets managed | $1,300 million |
| Equity* | $800 million |
| Mortgages | $500 million |
| Tax-exempt real estate assets | $350 million |
| Equity* | $250 million |
| Mortgages | $100 million |
| Tax-exempt real estate clients | 7 |

* Combines equity real estate and hybrid debt.

The Palmieri Co. had $350 million in real estate assets under management for tax-exempt clients. Of that, $235 million was in commingled or pooled equity funds, and $115 million was in direct, separate equity accounts.

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By asset vehicle, $205 million was in 100% equity and $45 million was in hybrid debt. There was $180 million in debt connected with those properties.

Of the tax-exempt assets invested, 60% are in existing properties and 40% are in development properties. Investments are made in all property types.

Palmieri offers two closed-end real estate funds. The firm offers two commingled funds.

Clients include the Central States Teamsters.

John A. Koskinen, president, is in charge of property investments and is the client contact.

### Phoenix Mutual Life Insurance Co.

*1 American Row, Hartford, Conn. 06115; (203) 275-5567*

| | |
|---|---|
| Total real estate assets managed | $1,308 million |
| Equity* | $350 million |
| Mortgages | $958 million |
| Tax-exempt real estate assets | $99 million |
| Equity* | $99 million |
| Tax-exempt real estate clients | 70 |

* Combines equity real estate and hybrid debt.

As of the year ended June 30, Phoenix Mutual received new business commitments of $22 million from 30 clients for equity real estate and hybrid debt investments.

Of the $98.8 million equity real estate under management for tax-exempt clients, $22.2 million was in cash. The firm's holdings had a market value of $76.6 million and a book value of $64.2 million. There was $1.6 million in debt connected with those properties.

By asset vehicle, there was $57.1 million in 100% equity and $41.7 million in hybrid debt.

All tax-exempt assets were in commingled or pooled equity funds.

All of the total tax-exempt assets are invested in existing properties. The asset mix by type of property is: office buildings, 54%; office-warehouse, 27%; apartments, 14%; shopping center, 5%.

Adrian Corbiere, assistant vice president real estate, is in charge of property investments. H. Russell Irving, second vice president-group pension marketing, is the client contact.

### PMRealty Advisors Inc.

*700 Newport Center Dr., Newport Beach, Calif. 92660; (714) 640-3000*

| | |
|---|---|
| Total real estate assets managed | $368 million |
| Equity | $348 million |
| Tax-exempt real estate assets | $106 million |
| Equity | $106 million |
| Tax-exempt real estate clients | 8 |

As of the year ended June 30, PMRealty received new business commitments of $25.3 million from four clients for equity real estate and hybrid debt investments.

Of the $106.2 million in equity real estate under management for tax-exempt clients, $50.3 million was for contributions committed but not yet received. The firm's holdings had a market value of $55.9 million and a book value of $55.1 million. There was $7.3 million in debt connected with those properties.

All tax-exempt assets under management were in commingled or pooled equity funds.

All tax-exempt assets are invested in existing properties. The asset mix by type of property is: office, 82%; R&D/Industrial, 15%; retail, 3%.

**Top 10 tax-exempt real estate equity managers***

| Firm | ($ mil.) |
|---|---|
| Prudential Asset Mgt. Co. | $6,410.1 |
| Equitable Real Estate Investment Mgt. | 4,007.0 |
| Aetna Life & Casualty | 2,799.0 |
| RREEF Funds | 2,742.0 |
| Corporate Property Investors | 2,385.0 |
| Heitman Advisory Corp. | 1,786.6 |
| LaSalle Advisors Inc. | 1,548.5 |
| Aldrich, Eastman & Waltch Inc. | 1,490.0 |
| F.I.A. Associates | 1,427.1 |
| Copley Real Estate Advisors | 1,390.0 |

* Combines 100% equity and hybrid debt.

The commingled funds are AmericaWest I and II.

Clients include Air Products, Boise Cascade and North American Philips.

Carl A. Mayer Jr., managing director, is in charge of property investments. Pete Hammer, managing director, is the client contact.

### Property Capital Advisors

*200 Clarendon St., Hancock Tower, 47th Floor, Boston, Mass. 02116; (617) 536-8600*

| | |
|---|---|
| Total real estate assets managed | $540 million |
| Equity | $340 million |
| Tax-exempt real estate assets | $430 million |
| Equity | $430 million |
| Tax-exempt real estate clients | 65 |

As of the year ended June 30, Property Capital Advisors received new business commitments of $150 million from 25 clients for equity real estate and hybrid debt investments.

Of the $430 million equity real estate under management for tax-exempt clients, $120 million was for contributions committed but not yet received. The firm's holdings had a market value of $310 million and a book value of $220 million.

Of the total under management, $190 million was in commingled or pooled equity funds, and $240 million was in direct, separate equity accounts.

The firm invested $8 million for foreign pension funds.

All tax-exempt assets are invested in existing properties. The asset mix by type of property is: 45%, offices; 18%, shopping centers; 15% industrial; 12%, hotels; 10%, apartments.

The firm offers two commingled funds.

Clients include Harvard University, Massachusetts Institute of Technology, U.S. Steel Pension Plan and The World Bank.

Anthony D. Fox, senior vice president, is in charge of property investments. Robert M. Armstrong, senior vice president and treasurer, is the client contact.

### The Prudential Asset Management Co.

*19 Prudential Plaza, Newark, N.J. 07101; (201) 877-3735*

| | |
|---|---|
| Total real estate assets managed | $6,410 million |
| Equity* | $6,410 million |
| Tax-exempt real estate assets | $6,410 million |
| Equity* | $6,410 million |
| Tax-exempt clients | 326 |

* Combines equity real estate and hybrid debt.

As of the year ended June 30, Prudential Asset Management received new business commitments of $34 million from three clients for equity real estate and hybrid debt investments.

Of the $6.41 billion in equity real estate under management for tax-exempt clients, $292.3 million was in cash. The firm's property holdings had a market value of $6.12 billion and a book value of $4.81 billion. There was $342.5 million in debt connected with those properties.

All assets were in commingled or pooled equity funds.

By asset vehicle, there was $6.2 billion in 100% equity and $199 million in hybrid debt.

All tax-exempt assets invested are in existing properties. The asset mix by type of property is: office, 52.7%; retail, 17.5%; industrial, 15.5%; hotel/motel, 7.5%; apartments, 4.1%; land, 1.2%; agricultural, 1.1%.

Clients include Brooklyn Union Gas, Exxon, A.H. Robbins and Florida Public Employees'.

Brian J. Strum, senior vice president, is in charge of property investments. James H. Gately, senior vice president, is the client contact.

### Public Storage Inc.

*990 S. Fair Oaks Ave., Pasadena, Calif. 91105-2626; (213) 682-3601*

| | |
|---|---|
| Total real estate assets managed | $0 |

Public Storage Inc. has started a new unit, PSI Institutional Realty Group, to service the tax-exempt marketplace. As of June 30, that unit had no assets under management.

The firm invests mainly in public storage units.

Hugh Horne, president of the site acquisition and development group, is in charge of property investments. Nori Gerardo, senior vice president of PSI Institutional Realty Group, is the client contact.

r

### RepublicBank Dallas

*P.O. Box 241, Dallas, Texas 75221; (214) 922-5165*

| | |
|---|---|
| Total real estate assets managed | $38 million |
| Equity | $38 million |
| Tax-exempt real estate assets | $38 million |
| Equity | $38 million |
| Tax-exempt real estate clients | 33 |

As of the year ending June 30, RepubicBank Dallas received new business commitments of $6.5 million from 19 clients for equity real estate investments.

Of the $37.8 million equity real estate under management for tax-exempt clients, $11.2 million was in cash. The firm's property holdings had a market value of $26.6 million and a book value of $26 million.

All assets under management were in commingled or pooled equity funds. Of the tax-exempt assets invested, 69% are in existing properties and 31% are in development properties.

Investments are made in income-producing properties via 100% ownership acquisitions and equity-oriented convertible participating mortgages. Asset mix by property type is: 65%, office; 35%, industrial.

Clients include Austin Industries, Centex Corp., Texas Instruments, Temple Industries and Texas Employers Insurance.

Stan Miller, vice president and director real estate investment and acquisition, is in charge of property investments. David J. Pittman, senior vice president and director trust corporate marketing, and Vida S. Icenogle, vice president and director investment marketing, are the client contacts.

### T.W. Richardson & Co.

*601 California St., Suite 301, San Francisco, Calif. 94108; (415) 391-2880*

| | |
|---|---|
| Total real estate assets managed | $8.93 million |
| Equity | $8.93 million |
| Tax-exempt real estate assets | $8.93 million |
| Equity | $8.93 million |
| Tax-exempt real estate clients | 4 |

The property holdings of T.W. Richardson had a market value of $8.93 million and a book value of $4.77 million. There was $3.46 million in debt connected with those properties.

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Senior Vice President
PSI Institutional Realty Group
990 South Fair Oaks Avenue
Pasadena, California 91105-2626
213-682-3601

All assets under management were in direct, separate equity accounts.

Assets are invested 61% in existing properties and 39% in development properties. The asset mix by property is: industrial, 63%; office, 37%.

Clients include Freeport Associates, Arlington-Oakport Ltd., Hartsfield-Atlanta No. 1, A-C Joint Venture.

Thomas W. Richardson is in charge of property investments and is the client contact.

### The RREEF Funds

*650 California St., San Francisco, Calif. 94108; (415) 781-3300*

| | |
|---|---|
| Total real estate assets managed | $2,742 million |
| Equity | $2,742 million |
| Tax-exempt real estate assets | $2,742 million |
| Equity | $2,742 million |
| Tax-exempt real estate clients | 79 |

As of the year ended June 30, The RREEF Funds received new business commitments of $360 million from nine clients for equity real estate and hybrid debt investments.

Of the $2.7 billion in equity real estate under management for tax-exempt clients, $556 million was for contributions committed but not yet received; $145 million was in cash. The firm's holdings had a market value of $2 billion and a book value of $1.6 billion.

All assets were in commingled or pooled equity funds, which were invested in existing properties. The asset mix by type of property is shopping centers, 30%; office buildings, 40%; industrial properties, 15%; and business parks, 15%.

The RREEF Funds purchase high-quality, existing and substantially occupied office buildings, shopping centers and industrial buildings. Its ideal portfolio would be 33% office buildings, 33% shopping centers, and 33% industrial properties.

Clients include AT&T, IBM, Monsanto, Connecticut, Washington state and Illinois State Universities.

Paul Sack, principal, is the client contact.

### Frank Russell Trust Co.

*First Interstate Plaza, Tacoma, Wash. 98402; (206) 572-2282*

| | |
|---|---|
| Total real estate assets managed | $78 million |
| Equity | $78 million |
| Tax-exempt real estate assets | $78 million |
| Equity | $78 million |
| Tax-exempt real estate clients | 37 |

As of the year ended June 30, Frank Russell Trust received new business commitments of $71 million from 33 clients for equity real estate and hybrid debt investments.

The firm's holdings had a market value of $78 million and a book value of $76 million.

All of the assets were in commingled or pooled equity funds.

Of the tax-exempt assets invested, an estimated 80% are in existing properties and 20% are in development properties. Investments are made in office buildings, industrial facilities, commercial and retail, hotel and other properties.

Paul R. Kaltinick, president, is the client contact.

## S

### Sarofim Trust Co.

*Two Houston Center, Suite 2907, Houston, Texas 77010; (713) 654-4484*

| | |
|---|---|
| Total real estate assets managed | $57 million |
| Equity | $2 million |
| Mortgages | $55 million |
| Tax-exempt real estate assets | $57 million |
| Mortgages | $55 million |
| Tax-exempt real estate clients | 10 |

Sarofim Trust Co.'s $57.2 million in assets under management for tax-exempt clients had a market value of $48 million and a book value of $55 million as of June 30. Cash reserves were $1.2 million.

All assets were in the firm's commingled participating mortgage fund.

Of the tax-exempt assets under management, 37.6% are invested in existing properties and 62.4% are in development properties. The asset mix by type of property is: 51% office; 21% service center; 14% industrial; 14% retail.

Clients include Avon Products., Readers Digest Association and Hughes Aircraft.

Joshua M. Brown, vice president, is in charge of property investments and client contact.

### Schroder Real Estate Associates

*437 Madison Ave., New York, N.Y. 10022; (212) 486-9800*

| | |
|---|---|
| Total real estate assets managed | $572 million |
| Equity* | $572 million |
| Tax-exempt real estate assets managed | $0 |

* Combines equity real estate and hybrid debt.

As of June 30, Schroder invested $536 million for foreign pension funds.

Assets are invested 90% in existing properties and 10% in development properties. Investments are evenly made in regional shopping centers and urban commercial office buildings having good renovation and expansionary potential.

Among its foreign tax-exempt clients are IBM (UK), Royal Dutch Shell, British Airways and the British Post Office & Telecommunications Workers.

Charles Grossman and Norman L. Peck, managing partners, are in charge of making property investments. John E. Emmanuel, senior vice president, is the client contact.

### Scudder Realty Advisors Inc.

*333 S. Hope St., 37th Floor, Los Angeles, Calif. 90071; (213) 628-1144*

| | |
|---|---|
| Total real estate assets managed | $512 million |
| Equity* | $62 million |
| Mortgages | $450 million |
| Tax-exempt real estate assets | $512 million |
| Equity* | $62 million |
| Mortgages | $450 million |
| Tax-exempt real estate clients | 12 |

* Combines equity real estate and hybrid debt.

As of the year ended June 30, Scudder Realty received new business commitments of $75 million from four clients for equity real estate and hybrid debt investments.

The firm had $512 million in tax-exempt assets under real estate management.

Of that, $8 million was in 100% equity, $54 million in hybrid debt, and $450 million in mortgages.

All assets were in direct, separate equity accounts.

The assets were invested 90% in existing properties and 10% in development properties. The asset mix by type of property is: office, 40%; shopping centers, 40%; other, 20%.

Clients include Los Angeles County, Ventura County, Sacramento County and City of San Diego retirement systems.

Christopher B. Davis, vice president, is in charge of property investments and is the client contact.

### Security Capital Real Estate

*1290 Avenue of the Americas, 26th Floor, New York, N.Y. 10104; (212) 408-2911*

| | |
|---|---|
| Total real estate assets managed | $900 million |
| Equity | $900 million |
| Tax-exempt real estate assets | $820 million |
| Equity | $820 million |
| Tax-exempt real estate clients | 147 |

As of the year ended June 30, Security Capital Real Estate Corp. received new business commitments of $184 million from 29 clients for equity real estate investments.

Of the $820 million in equity real estate under management for tax-exempt clients, $30 million was for contributions committed but not yet received and $150 million was in cash. The firm's property holdings had a market value of $440 million and a book value of $419 million. There was $56 million in debt connected with those properties.

All of the tax-exempt assets under management were in commingled or pooled equity funds.

Those assets were invested in existing properties. The asset mix by type of property is: apartments, 81%; office, 11%; shopping centers, 5%; warehouse, 3%.

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Security Capital offers an open-end real estate fund, Security Capital Real Estate Fund.

Clients include U S WEST, K mart, Borden and Sohio.

John H. Streicker, president, is in charge of property investments. Lewis W. Kresch, first vice president, is the client contact.

### Stanfill Paulson & Co.

*351 California St., San Francisco, Calif. 94104; (415) 391-4170*

| | |
|---|---|
| Total real estate assets managed | $15 million |
| Equity | $15 million |
| Tax-exempt real estate assets | 0 |

Stanfill Paulson & Co. offers direct, separate account investment management and real estate investment consulting.

John Stanfill is in charge of property investments. Jon Paulson is the client contact.

### State Street Bank and Trust

*225 Franklin St., Boston, Mass. 02110; (617) 654-3222*

| | |
|---|---|
| Total real estate assets managed | $236 million |
| Equity* | $236 million |
| Tax-exempt real estate assets | $237 million |
| Equity* | $237 million |
| Tax-exempt real estate clients | 16 |

* Combines equity real estate and hybrid debt.

As of the year ended June 30, State Street Bank & Co. received new business commitments of $105 million from nine clients for equity real estate and hybrid debt investments.

Of the $236.3 million equity real estate under management for tax-exempt clients, $100 million was for contributions committed but not yet received; $39.7 million was in cash. The firm's holdings had a market value of $96.6 million and a book value of $93.2 million. There was $49.2 million in debt connected with those properties.

By asset vehicle, $34.2 million was in 100% equity, $62.4 million was in hybrid debt, and the firm had yet to determine where it would place the $139.7 million in cash and commitments.

All of the assets under management were in commingled or pooled equity funds.

All of the assets are invested in existing properties. The asset mix by type of property is: offices, 40%; industrial, 45%; commercial/retail, 15%; although investments may be made in warehouses, distribution and light manufacturing facilities; office buildings; R&D buildings; shopping centers and free-standing stores; hotel/motels; residential; land and combinations of the above.

The bank offers closed-end real estate funds. Three commingled funds are offered: State Street Real Estate Fund I, II and III.

Clients include CBS, GTE, Honeywell and World Bank.

Robert K. Kilroy, vice president, is in charge of property investments. Thomas P. Hogan, vice president, is the client contact.

### SUHRCO Real Estate Advisors Inc.

*10604 N.E. 38th Place, Suite 228, Kirkland, Wash. 98033-7996; (206) 828-4464*

| | |
|---|---|
| Total real estate assets managed | $65 million |
| Equity | $65 million |
| Tax-exempt real estate assets | $50 million |
| Equity | $50 million |
| Tax-exempt real estate clients | 3 |

As of the year ended June 30, SUHRCO Real Estate Advisors received new business commitments of $13.5 million from two clients for equity real estate and hybrid debt investments.

The firm's holdings had a market value of $50 million.

All assets were in direct, separate equity accounts.

All assets are invested in existing properties. Investments are made in mixed-use developments, suburban office buildings and shopping centers.

Edwin C. Suhrbier, president, is in charge of property investments and is the client contact.

*Pensions & Investment Age's* annual polling of 500 chief investment officers will run in the Sept. 30 issue.

t

### Tamarack Investment Counsel Inc.

*P.O. Box 1924, Stockton, Calif. 95201; (209) 951-1120*

| | |
|---|---|
| Total real estate assets managed | $12 million |
| Equity | $12 million |
| Tax-exempt real estate assets | $12 million |
| Equity | $12 million |
| Tax-exempt real estate clients | 3 |

As of the year ended June 30, Tamarack Investment Counsel received new business commitments of $1 million from one client for equity real estate and hybrid debt investments.

Of the $12 million equity real estate under management for tax-exempt clients, $1 million was for contributions committed but not yet received. The firm's holdings had a market value of $11 million and a book value of $8 million. There was $4 million in debt connected with those properties.

All assets were in direct, separate equity accounts.

Tax-exempt assets are invested 25% in existing properties and 75% in development properties. The firm invests in commercial and apartment properties.

Paul F. Soares, investment counsel, is in charge of property investments. David M. Soares, investment counsel, is the client contact.

### TCW Realty Advisors

*400 S. Hope St., Suite 600, Los Angeles, Calif. 90071-2899; (213) 683-4200*

| | |
|---|---|
| Total real estate assets managed | $838.448 million |
| Equity* | $838.448 million |
| Tax-exempt real estate assets | $838.448 million |
| Equity* | $838.448 million |
| Tax-exempt real estate clients | 42 |

* Combines equity real estate and hybrid debt.

As of the year ended June 30, TCW Realty received new business commitments of $211 million from 21 clients for equity real estate and hybrid debt investments.

Of the $838.4 billion equity real estate under management for tax-exempt clients, $350 billion was for contributions committed but not yet received and $175.1 billion was in cash. The firm's property holdings had a market value of $313.3 billion and a book value of $302.2 billion. There was $19.8 billion in debt connected with those properties.

Of the total under management, $596.6 billion was in commingled or pooled equity funds, and $241.9 billion was in direct, separate equity accounts.

By asset vehicle, $693.8 million was in 100% equity and $144.7 million was in hybrid debt.

All of the tax-exempt assets are invested in existing properties. The asset mix by type of property is: 66%, office; 9%, retail; 25%, business parks.

Clients include Rockwell International, World Bank, J.C. Penney and Illinois Municipal.

Roger Schultz, senior partner/director of acquisitions, is in charge of property investments. Bruce L. Ludwig, senior partner, is the client contact.

### Texas American Bank/Fort Worth

*P.O. Box 2050, Fort Worth, Texas 76113; (817) 338-8445*

| | |
|---|---|
| Total real estate assets managed | $67 million |
| Equity | $60 million |
| Mortgages | $7 million |
| Tax-exempt real estate assets | $67 million |
| Equity | $60 million |
| Mortgages | $7 million |
| Tax-exempt real estate clients | 222 |

As of the year ended June 30, Texas American received new business commitments of $10 million from 50 clients for equity real estate and hybrid debt investments.

Of the $60 million equity real estate under management for tax-exempt clients, $5 million was for contributions committed but not yet received and $5 million was in cash. The firm's property holdings had a market value of $50 mil


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tion and a book value of $45 million.

Of the tax-exempt total under management, $5 million was in commingled or pooled equity funds, and $55 million was in direct, separate equity accounts.

All of the tax-exempt assets are invested in existing properties. The asset mix by type of property is: shopping centers, 20%; office buildings, 10%; office/warehouse, 40%; retail buildings, 30%.

Clients include Mrs. Baird's Bakeries, Gearhart Industries and Justin Industries.

Bob S. Little, vice president-real estate investments, is the client contact.

### Third National Corp.

*4th and Church Street, Nashville, Tenn. 37244; (615) 748-5479*

| | |
|---|---|
| Total real estate assets managed | $98 million |
| Equity* | $98 million |
| Tax-exempt real estate assets | $22 million |
| Equity* | $22 million |
| Tax-exempt real-estate clients | 63 |

* Combines equity real estate and hybrid debt.

As of the year ended June 30, Third National Corp. received new business commitments of $2 million from five clients for equity real estate and hybrid debt investments.

Of the $22.1 million in equity real estate under management for tax-exempt clients, $9.6 million was in cash. The firm's property holdings had a market value of $12.5 million and a book value of $12 million. There was $800,000 in debt connected with those properties.

All of the tax-exempt assets under management were in commingled or pooled equity funds.

All of the tax-exempt assets are invested in existing properties. Investments are made in Sunbelt properties with a value of $1 million to $5 million in second- and third-tier cities, using ownership/hybrid debt. The bank seeks opportunities in market niches where tax-exempt investors are not yet significant players.

Clients include Murray of Ohio and Memphis Light, Gas & Water.

Steve Iler, assistant vice president-investment manager for pension real estate, is in charge of property investments and is the client contact.

### The Travelers

*1 Tower Square, Hartford, Conn. 06183; (203) 277-0271*

| | |
|---|---|
| Total real estate assets managed | $11,860 million |
| Equity | $555 million |
| Mortgages | $11,300 million |
| Tax-exempt real estate assets | $558 million |
| Equity | $482 million |
| Mortgages | $77 million |
| Tax-exempt real estate clients | 210 |

As of the year ended June 30, The Travelers received new business commitments of $15.1 million from 26 clients for equity real estate and hybrid debt investments.

Of the $481.5 million in equity real estate under management for tax-exempt clients, $3.2 million was in cash. The firm's property holdings had a market value of $478.3 million. There was $21.5 million in debt connected with those properties.

Of the tax-exempt total under management for real estate equity, $462.7 million was in commingled or pooled equity funds, and $18.8 million was in direct, separate equity accounts.

All of the tax-exempt assets are invested in existing properties. Investments are made in office buildings, shopping centers, industrial/warehouses, apartments, hotels, agriculture, timberland.

Clients include Chevron Corp., state of Maine and Allied Corp.

Leonard Green, second vice president, is in charge of making property investments. B. Thomas Willison, vice president, is the client contact.

### Trident/Meyer Real Estate Advisors

*888 S. West St., Suite 400, Anaheim, Calif. 92802; (714) 999-8813*

| | |
|---|---|
| Total real estate assets managed | $194 million |
| Equity* | $194 million |
| Tax-exempt real estate assets | $115 million |
| Equity* | $115 million |
| Tax-exempt real estate clients | 4 |

* Combines equity real estate and hybrid debt.

As of the year ended June 30, Trident/Meyer received new business commitments of $115 million for equity real estate and hybrid debt investments.

Of the $115 million equity real estate under management for tax-exempt clients, $17 million was for contributions committed but not yet received and $65 million was in cash. The firm's property holdings had a market value of $33 million and a book value of $33 million.

Of the total under management, $65 million was in commingled or pooled equity funds, and $50 million was in direct, separate equity accounts.

By asset vehicle, $108 million was in 100% equity and $7 million was in hybrid debt.

All of the tax-exempt assets are invested in existing properties. The asset mix by type of property is: industrial, 32%; office, 21%; retail, 47%.

Trident/Meyer offers three commingled funds.

Clients include Ohio Police & Firemen's Disability and Pension Fund, Municipal Employees Annuity & Benefit Fund of Chicago, Firemen's Annuity & Benefit Fund of Chicago.

George Keeling, senior vice president-head of acquisitions committee, is charge of property investments. Allen W. Ralston, executive vice president and managing director, is the client contact.

A directory of investment management consultants will appear in the Nov. 25 issue of *P&I Age*.

**u**

### The Union Labor Life Co.

*111 Massachusetts Ave., N.W., Washington, D.C. 20001; (202) 682-0900*

| | |
|---|---|
| Total real estate assets managed | $376 million |
| Equity | $31 million |
| Mortgages | $345 million |
| Tax-exempt real estate assets | $153 million |
| Mortgages | $153 million |
| Tax-exempt real estate clients | 71 |

* Combines equity real estate and hybrid debt.

Union Labor Life has $153 million under management for mortgages for tax-exempt clients.

Of that, $62 million was in cash and the firm's mortgage investments had a market value of $91 million and a book value of $88 million.

All of the tax-exempt assets are in its "J for Jobs" Pooled Mortgage Account, which invests in long-term, diversified, trust-quality mortgages on union-built or renovated projects.

Clients include unions for laborers, sheet metal workers, bricklayers and carpenters.

E.R. Saathoff, vice president-mortgages, is in charge of property investments.

John Stephan and R.C. Cassin, directors of group pension sales, are the client contacts.

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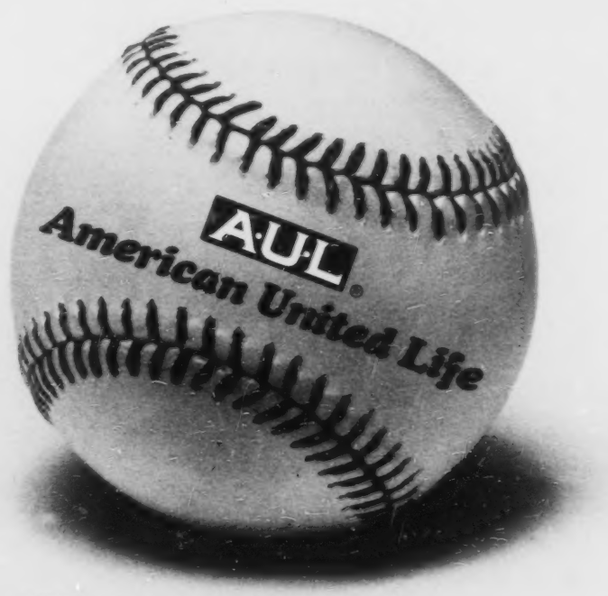



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*Mike Baldwin, CLU/Atlanta/404-952-7873*
*Sam George/Kansas City/913-432-5660*
*Pat Spencer/Houston/713-537-9257*


### United Trust Fund
*4770 Biscayne Blvd., Miami, Fla. 33137; (305) 576-7711*

| | |
|---|---|
| Total real estate assets managed | $135 million |
| Mortgages | $135 million |
| Tax-exempt real estate assets | $135 million |
| Mortgages | $135 million |
| Tax-exempt real estate clients | NA |

The firm's mortgage holdings had a market value of $135 million and a book value of $135 million.

All of the assets under management were in direct, separate equity accounts.

Investments are made in commercial real estate. All properties are net leased to occupants.

Clients include Sun Life Assurance Co. and Bankers Life.

Fred Berliner, director-acquisitions, is in charge of property investments. James Nolan, executive vice president, is the client contact.

### United Virginia Bank
*919 E. Main St., Richmond, Va. 23219; (804) 782-7259*

| | |
|---|---|
| Total real estate assets managed | $24 million |
| Equity | $14 million |
| Tax-exempt real estate assets | $24 million |
| Equity | $14 million |
| Tax-exempt real estate clients | 191 |

As of the year ended June 30, United Virginia Bank received new business commitments of $2.7 million for equity real estate investments.

Of the $23.8 million in equity real estate under management for tax-exempt clients, $726,503 was for contributions committed but not yet received and $9.3 million was in cash. The firm's property holdings had a market value of $13.8 million and a book value of $12.2 million. There was $2.8 million in debt connected with those properties.

All assets under management were in United Virginia's open-end, commingled equity group trust, the Real Estate Investment Fund for Employee Benefit Trusts.

Assets under management were invested 100% in existing properties, including commercial, industrial and office buildings.

Clients include Virginia Chemicals Inc., United Virginia Bank Retirement, Media General Inc. and Overnite Transportation Co.

Ronald E. Martin, assistant vice president, is in charge of property investments and client contact.

The annual guide to microcomputer products and services will be in the Oct. 14 issue.

## W

### Wachovia Bank & Trust Co.
*P.O. Box 3099, Winston-Salem, N.C. 27150; (919) 770-4169*

| | |
|---|---|
| Total real estate assets managed | $602 million |
| Equity | $602 million |
| Tax-exempt real estate assets | $579 million |
| Equity | $579 million |
| Tax-exempt real estate clients | 261 |

As of the year ended June 30, Wachovia Bank & Trust Co., N.A. received new business commitments of $15 million for equity real estate investments.

Of the $579 million equity real estate under management for tax-exempt clients, $132 million was in cash. The firm's property holdings had a market value of $447 million and a book value of $267 million. There was no debt connected with those properties.

Of the total under management for tax-exempt clients, $351 million was in commingled or pooled equity funds, and $228.5 million was in direct, separate equity accounts.

The tax-exempt assets are invested 60% in existing properties and 40% in development. The asset mix by type of property is: 5% office; 56% industrial/warehouse; and 39% raw land.

Robert Smedley, senior vice president and manager, real estate investment department, is in charge of property investments. Nick Verano and Cindy Corey are client contacts.

### Wagner Southern Forest Investments Inc.
*11 Piedmont Center, Suite 404, Atlanta, Ga. 30305; (404) 239-0986*

| | |
|---|---|
| Total real estate assets managed | $50 million |
| Equity | $50 million |
| Tax-exempt real estate assets managed | $0 |

As of the year ended June 30, Wagner Southern Forest Investments had $50 million under management for taxable clients. There were no tax-exempt clients under management.

All assets are invested in existing timber properties.

Charles M. Tarver, principal, is in charge of property investments. David S. Graham, principal, is the client contact.

### Wells Fargo Realty Advisors
*330 Washington St., Marina del Rey, Calif. 94549; (213) 822-2032*

| | |
|---|---|
| Total real estate assets managed | $2,118 million |
| Equity* | $418 million |


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| | |
|---|---|
| Mortgages | $1,700 million |
| Tax-exempt real estate assets | $645 million |
| Equity* | $374 million |
| Mortgages | $271 million |
| Tax-exempt real estate clients | 150 |

* Combines equity real estate and hybrid debt.

As of the year ended Dec. 31, 1984, Wells Fargo received new business commitments of $109 million from 18 clients for equity real estate and hybrid debt investments.

Of the $645 million equity real estate under management for tax-exempt clients, $42 million was in cash. The firm's holdings had a market value of $603 million. There was $23 million in debt connected with those properties.

All of the tax-exempt asset under management, were in a commingled fund.

The firm also invested $44 million for foreign pension funds.

Tax-exempt real estate assets are invested 40% in existing properties and 60% in development ventures. The asset mix by type of property is: 34% industrial/research and development; 33% office; 13% retail; and 11% residential; 1% hotel; 8% other.

Wells Fargo offers three commingled funds.

Clients include American Telephone and Telegraph Co., General Motors Corp. and Frank Russell Trust Co.

Doug Hayek, director of acquisitions, is in charge of property investments. J. Michael Johnson, director of marketing, is the client contact.

## Construction at record level

The pace of construction and absorption in the nation's office market reached record levels during the first six months of 1985, according to The Office Network Inc., Houston.

Meanwhile, data from Office Network and Coldwell Banker Capital Management Services, Los Angeles, showed vacancy rates for office and industrial properties also continued to rise.

The Office Network's semi-annual 24-city survey showed a total of 177.1 million square feet of multitenant office space under construction as of June 30, compared to 155.9 million square feet as of Dec. 31, 1984, and 132.4 million square feet a year ago.

The construction rate during the first half of 1985 represented a 7.3% increase over the previous high of 165.1 million square feet during the second half of 1981.

Absorption over the 12 months ended June 30 was 75.9 million square feet, compared to 67.5 million square feet the previous year, the report said.

Average vacancy, which at 16.3% has fallen 0.1% from year-end 1984, is nearly two full percentage points higher than a year ago.

With more than half the current construction due for completion in 1986, the report predicts an "active" marketplace over the next 18 months. Overbuilding, it notes, "means opportunities for both tenants and investors."

In the Coldwell Banker Capital Management Services second quarter survey, the downtown office vacancy rate in 34 cities increased to 16.1% as of June 30, from 15.3% at the end of the first quarter.

The increase brought the rate to its highest level since the index was started in 1978.

Suburban office vacancies in 34 areas surveyed increased 0.8%, to 19.7%, also the highest level since the index was begun in September 1983. The suburban vacancy rate index has trended upward since the fourth quarter of last year.

Coldwell's index measuring industrial vacancy rates in 21 metropolitan areas also exhibited an increase, albeit a more modest one, in 1985's second quarter. The index, which covers industrial buildings with 100,000 square feet or more, increased to 4.9% as of June 30 from 4.8% as of March 31. ■

## Gap narrows . . .

*Continued from page 13*

tax-exempt institutions continued to expand their real estate investments during the past year.

Managers surveyed reported total equity-oriented assets under management as of June 30 of $47.9 billion, an increase of 18.9% over the 1984 total of $40.3 billion.

As in past years, the bulk of money is concentrated in relatively few hands, with the 15 largest managers accounting for more than two-thirds of all money.

Of the total, $38.9 billion, or 81.2%, was in equity (invested, cash reserves and committed, but not yet in hand), while $9 billion or 18.8% was in hybrid debt. The managers had an additional $4.2 billion in mortgages.

In all, according to the survey, $52.1 billion in tax-exempt assets are invested in, or committed to, real estate equity, hybrid debt and mortgages. The amount represents 4% of the estimated $1.3 trillion in U.S. pension fund assets.

The real estate investment advisers reported total assets under management for taxable and tax-exempt clients as of June 30 of $193.1 billion, including $84.6 billion in equity, $12.3 billion in hybrid debt and $95 billion in mortgages.

That total reflects $8.9 billion managed for offshore clients, including $3.7 billion for foreign pension funds.

Tax-exempt real estate assets under management are invested 88.3% in existing properties and 11.7% in developmental ventures, with the following breakdown by property type: 45.2% office; 16.6% industrial; 2.5% hotel; 4.3% research and development facilities; 15.7% retail; 4.7% residential; 7.4% undeveloped land; and 3.6% other.

Reflecting the marketing strengths of the insurance giants, the first and second positions in the new business ranking were occupied by life companies.

Equitable, reporting new accounts totaling $905.3 million, was at the top of the list, followed by Aetna, with $650 million in new business.

Independent managers also reported strong new capital commitments during the year. But several who were prominent last year in terms of new business, including Aldrich, Eastman and Waltch and Security Capital Real Estate Corp., were absent from the Top 10 new business leaders in 1985.

New this year to that list are Heitman, third in the ranking, with $562 million in new business; Karsten Institutional Realty Advisors, reporting $532 million and ranked fourth; The Boston Co. Real Estate Counsel Inc., sixth with $384 million; and LaSalle, eighth with $377 million.

The top-ranked tax-exempt mortgage manager for 1985 was Philadelphia-based L&B Real Estate Advisors, with $594 million, followed closely by Manufacturers Hanover Trust Co. Real Estate Investment Advisory Group, $588 million, and Lomas & Nettleton Advisory Group Inc., $525 million.

When ranked by total equity assets under management (inciuding taxable and tax-exempt), JMB Institutional Realty Corp. is first, with $11.5 billion; followed by Equitable, $10.5 billion; Prudential, $6.4 billion; and Metropolitan Life, $4.9 billion.

When counting taxable and tax-exempt assets, the leading mortgage manager is Aetna, with $14.1 billion, followed by Metropolitan Life with $13 billion and The Travelers, $11.3 billion.

Profiles of 100 real estate managers, all of whom responded to *P&I Age's* annual real estate questionnaire, are included in this year's directory. ■


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# Cash Management

**Payden & Rygel index of short maturities assets***
(for month ending August 30, 1985)

| | August 1985 | Quarter ending 6/30/85 | Year to date | 12 months ending 8/30/85 | Yield level monthly change* |
|---|---|---|---|---|---|
| | Unannualized total returns | | | | |
| **90 Day** | | | | | |
| U.S. Treasury Bill | 0.6711 | 2.2863 | 5.6301 | 9.7514 | −14 |
| Domestic C.D. | 0.6784 | 2.3003 | 5.7502 | 10.0250 | 0 |
| Euro $ C.D. | 0.7267 | 2.3448 | 5.9013 | 10.3014 | −20 |
| **180 Day** | | | | | |
| U.S. Treasury Bill | 0.7207 | 2.8466 | 6.1927 | 11.2128 | −11 |
| Domestic C.D. | 0.7587 | 2.7266 | 6.0414 | 11.1632 | −18 |
| Euro $ C.D. | 0.8478 | 2.7915 | 6.2794 | 11.4513 | −35 |
| **1 Year** | | | | | |
| U.S. Treasury Note | 0.7677 | 3.7860 | 7.0857 | 13.5132 | −9 |
| **2 Year** | | | | | |
| U.S. Treasury Note | 0.8515 | 5.5572 | 8.5621 | 17.6379 | −5 |

*Figures are unannualized total returns. Year-to-date and 12-month figures linked monthly. 90 and 180 Day Treasury Bill yield level changes on discount basis.
†Basis points.
Source: Payden & Rygel, Los Angeles, California 90017

The Payden & Rygel index of short maturities assets is published in every other issue. It charts the total returns on cash investment and highlights the difference between total returns and simple yields.

# FASB mulls rule on cash flow reporting

**By Richard J. Gillespie**

NEW YORK — The Financial Accounting Standards Board likely will issue a standard next year requiring a cash flow statement in such financial statements as annual reports.

Corporations now have a choice of using cash flow or working capital when reporting statements of changes in financial positions.

The FASB's new standard would drop the use of working capital, instead using cash as the basis on the statement of changes, the third leg of the three-legged financial reporting stool. The balance sheet and income statement are the two other legs.

Members of the financial accounting community, and others, increasingly have adopted the view that defining funds as cash is the more meaningful way to represent the internal dynamics of corporate earnings patterns.

APB 19, a rule requiring statements of changes in financial position, sometimes called funds statements, was introduced in 1971 by the Accounting Standards Board, the forerunner of the FASB.

Then, working capital was widely used as a concept in ratios of financial measurement, and corporations were given a choice between using working capital or cash.

Working capital, while used less frequently now than in the past, still is the basis of the statement of changes in financial position for many companies.

For example, in their most recent annual reports, Dana Corp., Varian Associates, Gulf & Western Industries Inc., Kidde Inc. and Levi Strauss & Co. all used working capital on their statements. Household International Inc., R.J. Reynolds Industries Inc., Rockwell International, Sperry Corp. and Lockheed Corp. all defined funds as cash.

When working capital is used, changes in the level of current asset and current liability accounts are omitted and only the net increase or decrease in working capital is reported.

As a result, analysts do extra work to document changes in important current asset and current liability accounts such as cash and marketable securities, inventories, prepayments, accounts receivable and accounts payable.

Halsey Bullen, a project manager at the FASB, said the question is when the requirement will be introduced, not whether it will be.

"It is conceivable that it will all fall apart, although unlikely," said Mr. Bullen.

Last year, the FASB published Conceptual Statement No. 5, which called "in concept" for a statement of cash flows. A concept statement is a recommendation and falls short of the so-called "standard" or mandatory requirement.

The FASB voted unanimously to add the project to its agenda this year.

Many financial analysts favor the change. Leonard Savoie, professor of business administration at the University of Notre Dame and chairman of the accounting committee there, said the use of working capital as the basis has become less and less meaningful to analysts.

Working capital helps examine the changes in each account other than working capital; these then have to be offset by a comparable change in working capital, he said.

"That means you take the change in current assets minus current liabilities, and that is your principal focus. The new focus is going to be on the cash account alone," he said.

This is a superior way of reporting changes in financial position, he said, because companies no longer manage working capital.

"They manage the cash, and one of the biggest problems was the level of inventories and receivables. The management of them is necessary if you are going to maintain a liquid cash position, and the statement of changes in working capital basically does not give you that kind of information to help you manage," he said.

In surveys of corporations conducted by Mr. Savoie during the two most recent recessions (1978 and 1982), respondents clearly indicated cash flow projections and cash flow management had become more important than managing financial ratios.

Both surveys indicated this shift in philosophy had come about over the past decade. It had been strengthened by the onset of intense inflation during the second recession, which "accentuated the need to manage liquidity very carefully," he said.

*Continued on page 49*

## *Method makes a world of difference*

# U.N. system sophisticated

**By Fred Williams**

NEW YORK — Bruce Hillis is not a member of the diplomatic corps, but his duties at the United Nations bring him into frequent contact with most world governments.

As chief of the treasury section of the United Nations Development Program, the central funding agency within the United Nations, Mr. Hillis collects money from 160-member countries and coordinates its redistribution to development nations in the form of grants or seed funding.

Mr. Hillis has adopted a sophisticated cash management strategy since joining the United Nations in 1979 from a consulting position in Canada. He has directed the conversion from a paper-based mutual treasury operation to probably the largest automated international cash management system in the world.

The UNDP receives voluntary contributions from its member countries, each with its own currency, and has investments in 25 countries with 400 banking relationships around the world.

The system, known generically as income cash management system, was designed by John Wilson, then with Chemical Bank but now owner of his own cash management consulting group, Brockden Associates Inc., Mendham, N.J.

The system took nearly nine years to develop and install, Mr. Hillis said.

"When we were on a telex basis, it would take three or four days to find out we had $15 million to $20 million sitting in a bank account," he said. And it was costing money to monitor and coordinate multiple sources of money worldwide and disburse it internationally without a computer.

Daily cash flow through the system is difficult to pinpoint, he said, since on some days it may be $50 million and the next, only $500,000.

"We have tremendous fluctuations in cash flow. That, too, was part of the problem because finding out where the money is deposited and when it was deposited is a major problem. Because most of that is tagged to SWIFT (Society for Worldwide Interbank Financial Telecommunication, the worldwide interbank transfer system), as soon as the credit hits our account in another country, that generates a report for us that night so we know the deposit is there the next day," he said.

"Because we have a giant cash flow in 160 currencies, this system

*Continued on page 48*

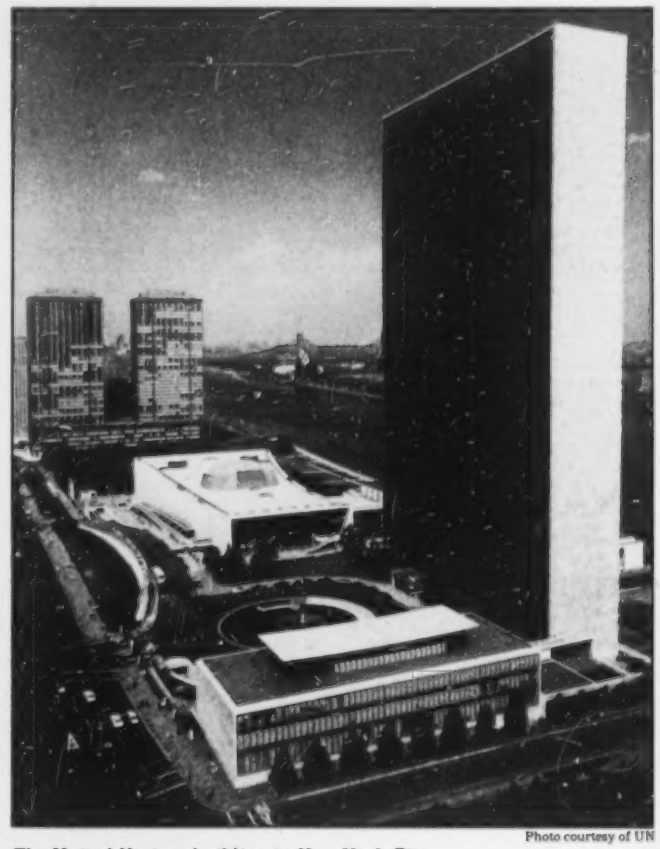

Photo courtesy of UN

*The United Nations building in New York City.*

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